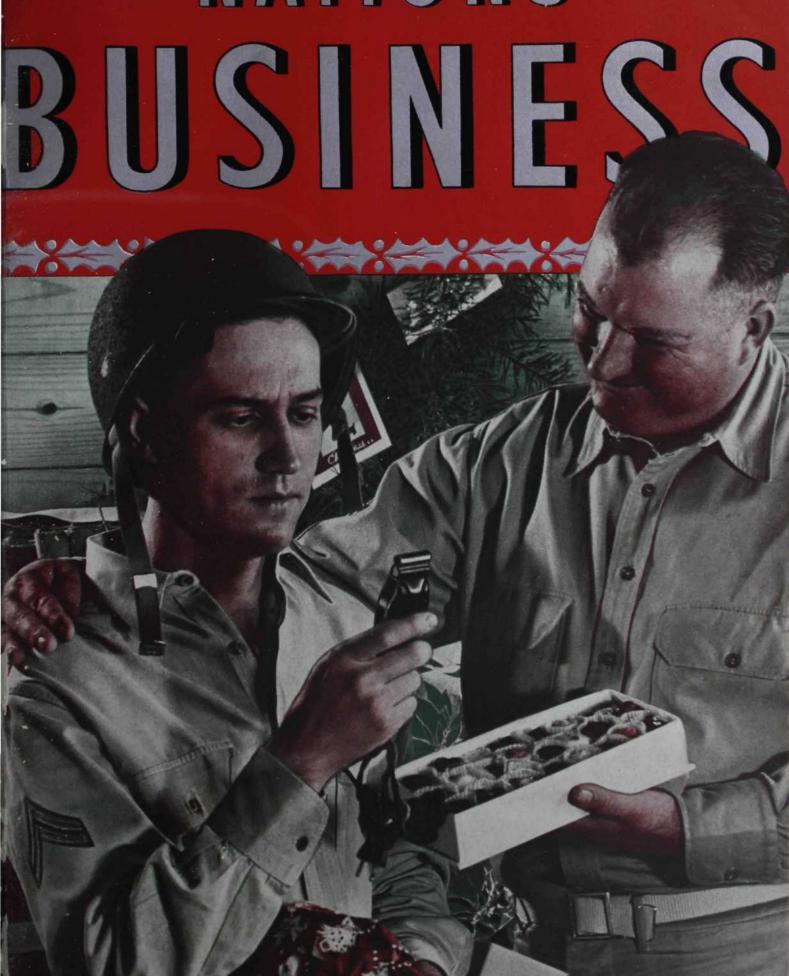
# December NATION'S 1943



#### IN WHICH WE SERVE FREEDOM ...

In December 1941 . . .

The men and women of Nash-Kelvinator were building a revolutionary Kelvinator that kept foods fresher days longer . . . they were building a new, aerodynamic Nash automobile giving as much as twenty-five miles a gallon at moderate highway speeds.

And then, almost overnight, we turned from the arts of peace to the grim trade of war. Now, two years after Pearl Harbor, what account can we and they render of our service to America?

This . . .

We have become the largest manufacturer in America of Hamilton Standard propellers for Flying Fortress, Liberator, Mosquito, Mitchell, Lancaster, Baltimore, Dauntless, Havoc, Skytrain and Skytrooper bomber and cargo planes.

We are building great 2,000 h.p. Pratt & Whitney supercharged, eighteen-cylinder engines that power the U. S. Navy's Vought Corsair and Grumman Hellcat... now breaking the back of Japanese air power.

We are readying production lines to build Sikorsky helicopters for the Army Air Forces. And this newest marvel of the air which rises vertically, hovers motionlessly, flies forward or backward, will be built only by Nash-Kelvinator and its designers, the Sikorsky division of United Aircraft Corporation.

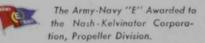
Further, because our men and women are precisionists... we build governors for the propeller mechanisms of many famous bombers... parts for submarines, cargo ships, Army trucks, trailers, jeeps and tanks... and we are now one of the world's largest manufacturers of binoculars. And our production for war is now nearly double our production for peace...

This, briefly, is the story of how free men and women serve Freedom . . . working night and day for Victory . . . working to keep America a free land of opportunity . . . working so

that all of us may soon turn to peaceful things—and we may begin the building of an even finer Kelvinator, an even greater Nash.

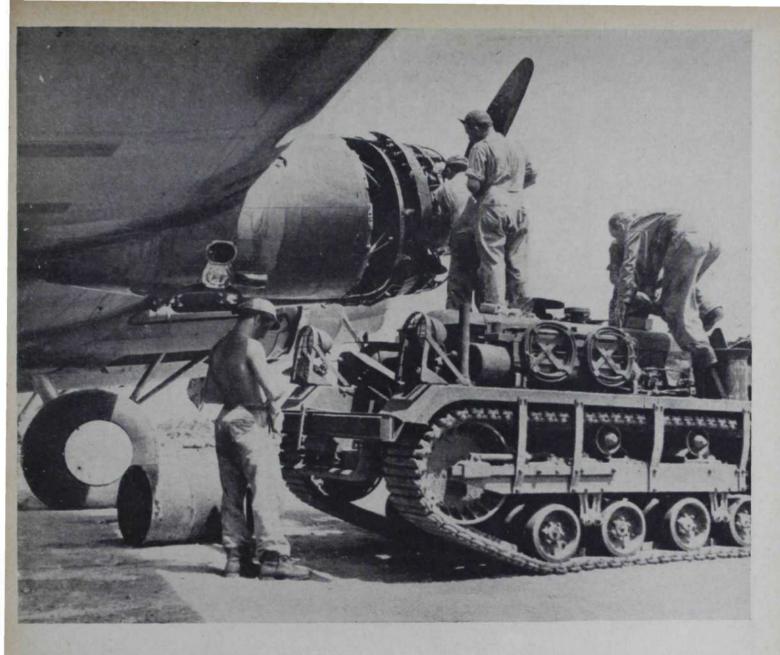
This is their story. And in it you may read—the story of America!

NASH-KELVINATOR CORPORATION
Kennaha Milwauker DETROIT Grand Rapids Langing



REFRIGERATORS . ELECTRIC RANGES





### **BOMBER NURSE**

#### A typical example of B. F. Goodrich leadership in rubber

WHEN bullet-ridden, flak-torn Flying Fortresses come limping home after a foray over Europe or Jap-held territory, alert, skilled repair crews quickly make them as good as new.

One secret of success in handling such tough jobs as on-the-spot replacement of a motor or a wing section is the go-anywhere tractors which serve as nursemaids to these big bombers.

Equipped with band block rubber tracks and rubber-covered track wheels to give them peak traction and maneuverability, these tractors can operate in jungle slime, snow, or sand as well as over a paved highway—haul ammunition, replacement parts, fuel, or the planes themselves to points where they can't be taxied.

The special rubber track is an outgrowth of the endless band rubber track invented years ago by B. F. Goodrich for use on the farm. Later the Army adopted the endless band idea for its half-track scout cars, gun

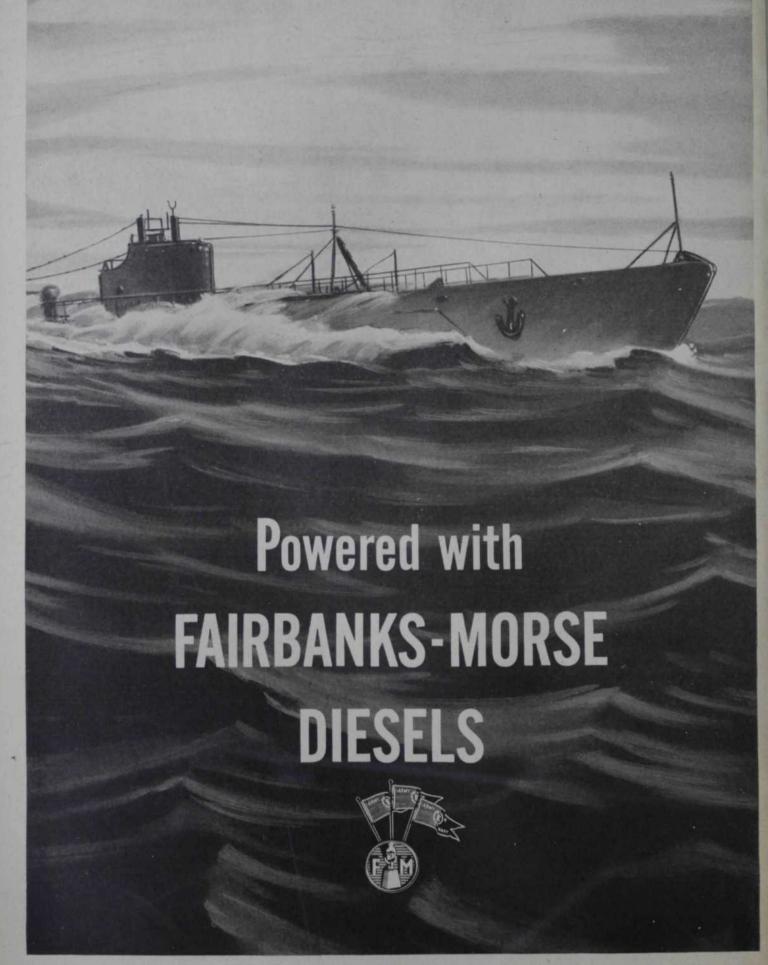
carriers, and general utility units. But between the original track and those in use today was one of the most intensive research programs ever undertaken by The B. F. Goodrich Company, working in close cooperation with the U. S. Army Ordnance Department.

Now rubber track is being made with substantial amounts of synthetic rubber in a compound that has proved equal in wear resistance to natural rubber.

Endless band rubber tracks, called "square tires" by some, are one of the outstanding advancements of this war. They may very well prove to be an invaluable aid to both farm and factory transportation when peace comes.



Nation's Business is published on the 30th of every month by the Chamber of Commerce of the United States, Publication Office, Washington, D. C. Editorial, Advertising and Circulation Offices, 1615 H Street, N. W., Washington, D. C. Subscription price \$4.00 one year; \$9.50 three years; 35 cents a copy, Entered as second-class matter March 20, 1920 at the Post Office at Washington, D. C., additional entry at Greenwich, Conn., under the Act of March 3, 1879, Printed in U. S. A.



# The Rubber Shortage is behind us but the Tire Shortage is still here!

Less than two years ago America faced as frightening a situation as any country at war ever faced.

Unless something was done, and done quickly, we would soon be without rubber.

And without rubber, no plane could fly, no tank could move, no ship could sail, no truck could roll, people could not get to work, materials could not move to and from plants.

That was the situation the Government and the rubber companies had to lick inside of two years if America was to stay in the war.

Did the "Impossible" really happen? Let's see what you think. Right now, there is nearly enough rubber to meet our essential needs.

Today, this threat to American victory is merely an unpleasant memory, because Government, the Rubber Director, and a group of industries—rubber, petroleum, chemical.alcohol—working together, compressed into less than two years a job that would normally have taken a dozen years. But...

Because the public saw huge synthetic rubber plants shoot up almost over night, and heard that synthetic rubber was in large-scale production, they figured the tire headache was almost over.

Now—a warning! This is the situation today—the rubber supply crisis is past, but the long predicted and anticipated tire shortage is with us.

Why is this so, when thousands of tons of Government synthetic rubber are now being made?

Why is this so, when the rubber industry is turning out such a tremendous tonnage of rubber products and more airplane and truck tires than ever before?

Because, as the Baruch Committee foresaw, the fact that few tires could be made until we had our synthetic rubber supply well on the way resulted in millions of tires going out of service without replacement—and those remaining have less mileage in them. Inventories of prewar tires are gone.

Because our military needs are 'way beyond anyone's anticipations.

Because the rubber companies must use a lot of their manpower and machines to make bullet-sealing gas tanks and hundreds of other rubber products for war, in addition to tires.

Because half of today's requirements are for heavy-duty, large-size truck, bus, combat, artillery, and airplane tires, requiring many, many times the labor and materials of peacetime needs.

And finally . . .

Because the manpower shortage hangs over the tire industry as it does over all industry, and there are just too few hands for the job.

Straight from the shoulder! These prob-

lems will be licked when our enemies are licked. Meanwhile, we want to tell you frankly that unless you, and all American tire-owners, continue to make the preservation of tires a vital personal problem . . . our home-front transportation will break down and slow up the war production of America.

The way out is for you to conserve the tires you've got—stretch their life in every way you can.

#### How to make tires last longer.

Do no unnecessary driving.

Live up to the government regulation—don't exceed 35 miles an hour.

Keep your tires inflated up to recommended pressure, and check them every week.

Avoid hitting holes in the road, or bruising your tires on curbs or stones. Don't start or stop suddenly. Slow down for sharp corners.

See that your wheels and axles are in line. Switch your tires from wheel to wheel every five thousand miles, and have them inspected regularly for removal of foreign objects and repair of cuts.

And—most important of all—recap your tires as soon as they become smooth.

Just how good are synthetic rubber tires? Though not all civilians will be able to get synthetic rubber tires in the near future, you may be one of those who will. Therefore, you should know . . . and remember . . . these facts:

#### FACTS ABOUT PASSENGER CAR TIRES

The synthetic rubber tire is not yet an improvement, but it will keep your car rolling through the emergency.

In many respects, the new synthetic rubber tires are an unknown quantity.

How they would behave at the phenomenally high speeds of prewar days is purely academic. The patriotic citizen knows that high speeds wear out his treads far faster than the recommended speed of 35 miles per hour, and drives accordingly.

Underinflation, driving over rough roads, and other abuses are bad for all tires—but today's evidence is that synthetic tires will stand less of these abuses than the tires you have been used to

But, since these tires will be rationed to you in trust for the nation, it will be your duty to take every possible care of them, and to prevent misuse and abuse.

As we gain more experience with synthetic rubber tires, more and more things will become known about them, and the public will be kept informed.

If you use synthetic rubber tubes, be sure they are properly installed. They should be put into the tire, then inflated, deflated, and inflated again. And they should never be mounted on rusty rims.

#### FACTS ABOUT TRUCK AND BUS TIRES

On trucks and bus tires, particularly in over-the-road, inter-city service, the situation is less satisfactory.

Truck and bus tires are operated under more severe conditions than passenger car tires. They are heavier, thicker—generate more heat. They are all too frequently overloaded, must travel on any kind of highway their work requires.

Again we'll be perfectly frank about it: synthetic truck and bus tires now built will not stand all the abuse that the prewar tire would take, especially overloading. Progress is being made every day—but overloading which damaged a prewar tire can ruin to-day's synthetic rubber tire.

The Tire Industry is bending every effort to solve the serious problems of furnishing satisfactory and sufficient tires to the truck and bus field.

But a serious threat still exists to our most vital transportation.

So remember this—while the treads of present truck and bus tires are vitally important, the carcasses of these tires have a value to our truck operators, and to the nation, that is beyond price. Unless these tires are made to last and last and last, there is almost certain to be a breakdown of truck service.

Every one of these tires must be recapped the very minute it needs it—before any damage is done to the carcass. Speeds must be watched—cut down, especially on hot roads. Overloads must be eliminated. Proper inflation is a necessity.

Operators, garage men, drivers, all have a heavy responsibility that they cannot now avoid. These are straightforward statements of fact. The warning must not—cannot—go unheeded. A new tire warranty recognizes these conditions, but the real job is conservation!

A new warranty—With conditions as they are, and synthetic rubber in its present stage of development, a new tire warranty has become necessary and has been adopted. It applies to all tires. Under its terms, injuries such as bruises, body breaks, cuts, snags, and heat failures, as well as tread wear are not subject to adjustment consideration.

Nor are injuries or failures which result from improper tire care or misuse or abuse. This includes failure as a result of overload, excess speed, improper inflation, or other non-defective conditions. Or when tires are used on rims not conforming to Tire and Rim Association Standards.

Remember—the tire industry, the Rubber Director, everyone is working together with all their energy, as they have from the outset, to keep America's wheels turning.

Do your part-take care of the tires you've got now!

#### THE RUBBER MANUFACTURERS ASSOCIATION, INC.

This message is of such vital importance to the maintenance of all automotive transportation that we believe it should be given as much circulation as possible. With the permission of the Rubber Manufacturers Association, Inc., it is reprinted here for your attention. ETHYL CORPORATION, maker of Ethyl fluid, Chrysler Building, New York City.





SHIPPERS AHOY!

#### A HEARTY HAIL FROM RAILROAD MEN TO THE MEN WHOSE FREIGHT THEY HAUL!

THE people of this country owe an everlasting debt of gratitude to the nation's freight shippers and receivers for their tremendous help in the movement of wartime traffic.

Without that help, the whole Allied cause might be mired in gloom right now, instead of bright with hope.

How different it is today from World War 1, when precious freight cars frequently were used as warehouses—when jams developed because there was no team work such as now exists.

Since the last war, some 20,000 traffic managers of industry have been working on the problem of expediting the use of freight cars.

Co-operating with the railroads, 13 regional Shippers Advisory Boards have spread their work to over 600 shipping centers through ever-vigilant Car Efficiency Committees.

Night and day, Sundays and holidays, regardless of overtime costs, cars are loaded, unloaded and cleaned of dunnage quickly. Cars that can't be used promptly are immediately released for other use.

One important reason why America's armed might is pounding hard all over the world, this very moment, stems from the continuing co-operation of the shippers with the railroads to "keep'em rolling."



THE MILWAUKEE ROAD

11,000-MILE SUPPLY LINE FOR WAR AND HOME FRONTS

### Nation's



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CHAMBER OF COMMERCE OF THE UNITED STATES

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GENERAL OFFICE-Washington 6, D. C. U. S. Chamber Building.

Branch Offices-New York, 420 Lexington Ave.; San Francisco, 333 Pine Street; Dallas, 1101 Commerce St.; Chicago, First National Bank Building; Cleveland, Hanna Building.

As the official magazine of the Chamber of Commerce of the United States this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers.

Although the editors will make every effort to return unsolicited manuscripts promptly and in good condition, Nation's Business cannot accept responsibility for loss or damage of this material.



American mass production of war materials would literally not be possible without adequate dust control. Industry recognized this even before Pearl Harbor—and the AAF organization immediately went to work on a round-the-clock schedule to meet its demands. Today we're still striving to meet war production needs—but with a weather eye on V-Day, are engineering peace-time dust control systems that must, for the present, remain in the drafting room.

Let us begin now to help you plan your post-war dust control—there's no obligation in discussing your future needs with us today!





Send for "AAF In Industry", a new booklet describing the complete line of AAF equipment.



AMERICAN AIR FILTER CO., INC.

109 Central Ave., Louisville, Ky. In Conada, Darling Bros., Ud., Montreal

# Christmas Gift... to America



LIFE FOR THE WOUNDED" BY JES SCHLAIKER, COURTESY OF REICHEL LABORATORIES, INC

You've read of the practical value of blood plasma. You've heard physicians hail it as the greatest advance in medicine since anesthesia. You've heard how it prevents shock, the greatest single cause of death from wounds. You can imagine for yourself how desperately it is needed. There is no better time than now, in this Christmas Season to make the greatest gift we mere civilians have ever been privileged to present. When your very own life blood goes to war it does more than bring Victory nearer, it helps to bring back to us more of our

bravest and best . . . This advertisement is dedicated to our fighting forces by the York Corporation, whose refrigeration equipment is helping to speed the processing of blood plasma.



There are 33
American Red Cross Blood
Donor Centers in the U.S. If
there is one near you, telephone
for an appointment today.



#### SOLUTION-

# Special "wet mufflers" prevent exhaust noise

Silence may mean the difference between success and failure in establishing a beach-head. Landing barge engines must have quiet exhausts so as not to warn the enemy. Because old-style exhaust mufflers were inadequate and not suited to this use, a special type of muffler was needed. The new muffler had to make the engine exhaust quiet and not interfere with its efficiency and reliability.

Burgess acoustic engineers, who first applied the snubbing principle of exhaust quieting, perfected a combination wet-type muffler for this particular application. This special muffler absorbs the "punch" of the exhaust slugs, so that the exhausted gases leave the tailpipe in a smooth, quiet flow. Exhaust noise is prevented before it occurs rather than muffled afterward.

BURGESS PIONEERING in acoustic development has produced many other quieting devices. Over 20 years' experience has made it possible for the Acoustic Division to successfully engineer products ranging from exhaust silencers to acoustic telephone booths. Why not write us of your noise difficulties? Acoustic Division engineers may already have worked out the solution to your problem.



Acoustic Division, Burgess Battery Company 2817-P West Roscoe Street, Chicago 18, III.



# Through the Editor's Specs

#### The \$128 question

MR. HAROLD S. Stewart, of Seattle, sends us the most succinct argument we've yet heard against subsidies. He says:

Subsidies are simply a direct grant, or government purchase at one price and resale at a lower price. They are the means of reducing the cost of food on the home front by paying the difference out of the federal Treasury, with borrowed money.

This means that the public on the home front, while receiving high wartime wages, would be permitted to postpone part of their grocery bills until after the war, at which time the millions of our armed forces would be home and compelled to pay a part of our postponed grocery bills.

Mr. Stewart asks a tough question which, when we've put it to subsidy supporters, elicits only a hem and a haw—namely, can't we, here at home pay as we go, at least to the extent of our board and keep?

#### The job ahead

WE READ with some chagrin the other day Dr. George Gallup's report of his experience in asking the American public "Will you tell me in your own words what you understand by the term 'free enterprise'?"

According to his tabulations only three out of ten persons understand clearly what the words mean. Answers ranged from a Queens County, N. Y., printer's, "I just don't understand it. Why don't they tax it?" to a soldier's smart crack, "Free enterprise is what the Republicans haven't got under Roosevelt."

As a publication which has devoted a continuing portion of its space over 30 years to a discussion of the advantages of free enterprise, we can't avoid a sense of disappointment from such answers. Naturally we take some comfort from Dr. Gallup's report that half the professional and business people, including teachers, were able to give intelligent definitions.

Of all the replies, we liked best that of an Oklahoma truckdriver:

"It means a hell of a lot to me. I don't

believe in this stuff of telling a man what he can and can't do."

We've said it a lot of times but never more forcefully than that.

#### In a nutshell

WEBSTER'S DICTIONARY, by the way, has three definitions of enterprise.

It lists as synonyms "undertaking," "venture," "essay," and "attempt"— "especially one which involves activity, courage, energy or the like; a bold, arduous or hazardous attempt; an important undertaking—as a warlike enterprise."

The second definition is "willingness or eagerness to engage in what requires boldness, energy or the like."

Third and last of the definitions is the single word, "management." In Noah Webster's time, as today, management which wasn't enterprising didn't manage long, and it had to have freedom—in addition to willingness and eagerness—in order to be bold.

#### **Educating the Eskimo**

THOSE WHO can't define free enterprise remind us of the Eskimos who, according to the Associated Press, have politely informed Canadian government officials that they do not wish to "buy any taxes." Lowered exemptions in the new revenue act, plus good fur catches. high prices and high wages, have made many Eskimos subject to income taxes for the first time, but their education as to the refinements of modern civilization had been neglected. They thought taxes were something you bought. Maybe the Eskimos are right; we "buy" taxes when we neglect to consider the expenses of government for which taxes are levied. The Eskimos are learning that freedom from want, et cetera, isn't

#### Pistol-packing mamma

ONE OF our staff men was induced by his wife to attend a dinner put on by the Ladies' Aid Society of a church near a naval establishment in a capital suburb. The dinner was served cafeteria-



#### TO THE WIFE OF EVERY RAILROAD MAN

UR appreciation for the part wives of railroad men are playing in solving the world's greatest transportation problem makes us wish we could send orchids to every one of them.

Their cooperation is an important factor in helping Erie and other American railroads maintain an amazing record of wartime transportation service.

Such a record is achieved only by teamwork of all railroad men supported by wives who understand the importance of getting the job done.

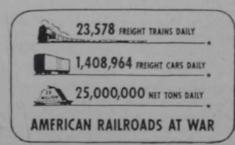
And thanks to the wives, family life is adjusted to meet all emergencies.

They are patient in having meals ready at all hours to meet irregular work schedules.

They are understanding when husbands have been absent for long hours on duty

To them belongs a big share of the credit for the miracles which are being performed by the railroads.

We are grateful to them because they give us further assurance that American railroads will continue in peace as in war to provide the world's finest and most economical transportation.





style. Just ahead of our man in the trayline was a Navy captain, followed by an ordinary seaman. The captain was a bit slow in choosing his food, and a matron behind the counter impatiently motioned to the seaman to go ahead of the captain.

This man is not permitted by regulations to pass his superior officer," said the captain, sternly.

"Young man, you'll do as you're told," replied the matron, arms akimbo. "Get

The young man hesitated briefly be-tween the Voices of Authority, then plunged ahead of the gold braid.

"Let that be a lesson," said the matron to the captain, who, our man feels confident, did just that.

#### Commendable labor trouble

STEINWAY & SONS report with pride a problem in labor relations. The company is, of course, up to its keyboard in war work, making gliders instead of pianos. The Army wants productionstaccato and fortissimo-for which the management feels very obligato. Along with the company, some of the finest, most careful workmen in the world have converted their skills to the new job.

The labor trouble is this: The management must constantly watch to prevent their old-timers from sticking in an extra coat of varnish or sandpapering infinitesimal rough spots which the Army is quite willing to overlook in the interest of speed.

#### Subsidies, B. C.

A READER who knows our weakness for historical analogies sends us the following excerpt from James Anthony Froude's "Caesar: A Sketch," published in 1881 by Harper & Bros.:

"The younger Gracchus . . . brought forward and carried through, with enthusiastic clapping of every pair of hands in Rome that were hardened with labor, a proposal that there should be established public granaries in the city, maintained and filled at the cost of the State, and that corn should be sold at a rate artificially cheap to the poor free citizens. Such a law was purely socialistic. The privilege was confined to Rome, because in Rome the elections were held, and the Roman constituency was the one depositary of power. The effect was to gather into the city a mob of needy, unemployed voters, living on the charity of the State, to crowd the circus and to clamor at the elections, available no doubt immediately to strengthen the hands of the popular tribune, but certain in the long run to sell themselves to those who could bid highest for their voices."

Many are the precedents, comments our reader, for everything that Mussolini did-and that was done to him.

#### Folk-lore, 1943

TIME WAS when a man lost everything, he "lost his shirt." Now he "loses his pants." Once a man "bet his shirt;" today a western mayor bets his pants that no other mayor in the country can do as good a job in scrap-iron collection. We caught ourselves offering to "bet a hat" the other day, but hastily reneged lest we date ourselves irrevocably as of the velocipede era.

#### "Land Poor" Uncle Sam

EVERY MAN remembers a neighbor who bought so much land that he impoverished himself to pay the taxes and the carrying charges, and was therefore termed "land poor."

Uncle Sam may be getting himself into this predicament (See "Land Hungry Uncle Sam," page 98, this issue). The federal Government now holds title to 20 per cent of the entire area of the United States. Granted that much of this is waste land and acreage acquired for essential federal establishments, the rate of acquisition has stepped up tremendously in recent years, posing serious problems for state and local governments which are chiefly dependent upon real estate tax revenues.

Earlier in our history, the federal Government fed its vast land holdings into private hands as fast as it could, through homesteading and other measures. As they were brought into production they created wealth and sustenance, and provided a source of tax income for local governments. Now the process is being reversed.

A principal plank in Karl Marx' Communist Manifesto proposed government ownership of all land, because this would hasten the collapse of local government and private ownership of all types. Marx was impatient—he wanted to do it at one stroke of the pen. The result is the same, whether done suddenly or gradually.

#### Regimenting the pigeons

AS THIS is written, Congress is deliberating a bill to broaden the Executive's powers to include control of carrier pigeons. Under the bill the President could enforce upon the 12,000 owners of carrier pigeons any regulations he chose to establish for control, maintenance and use of the birds.

As potential competition with other common carriers—tel. and tel., rail, air, merchant marine, pipe lines, etc.—we'll bet the birds ultimately find themselves, post war, in the suzerainty of the I.C.C. or F.C.C.

#### How's that, again?

THE AVERAGE freight train carries 40 per cent more freight, 56 per cent faster than in 1920—an increase of 220 per cent in efficiency.

For less than the government charges to deliver a one-ounce letter to the next village, the railroads move a ton of freight three miles.

With 22,000 fewer locomotives and half a million fewer freight cars, the railroads are transporting 55 per cent more freight than during the last war, and at a lower cost.



Let's get ready for a fast start on war-deferred construction by having blueprints and specifications ready for Armistice Day. Sorely needed improvements to municipal water supply, gas and sewerage systems—piling up since Pearl Harbor—will give large employment to returning service men and laid-off war workers—quick employment if plans are ready.

Public health and protection also dictate the urgent need of restoring water supply, gas and sewerage systems to full efficiency at the earliest possible moment. Informed citizens will be justifiably out of patience with delays which

can be avoided by blueprinting now. \* \* \*

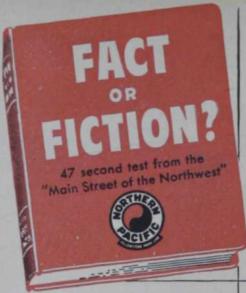
"Blueprint Now" is the slogan of the national Committee on Water and Sewage Works Development,\* organized to co-operate with state and municipal officials in getting postwar plans translated into blueprint form. Our members contribute this publicity to furtherance of this practical and patriotic program in the public interest.

\*To communicate with the Committee on Water and Sewage Works Development, address Suite 2110, 500 Fifth Avenue, New York 18, N. Y.

NO. 1 TAX SAVER

Pipe bearing the above mark is cast iron pipe. Made in sizes from 11/4 to 84 inches.







- Q. Post war bicycles may be made of plywood. Fact or fiction?
- A. Fact. Today, however, most plywood is going to war. From Washington and Oregon comes 85% of our supply, much of it via Northern Pacific Railway.



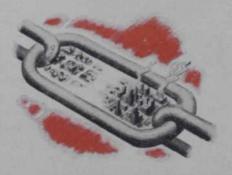
- Q. Turkeys originally came from Turkey. Fact or fiction?
- A. Fiction. Turkeys originated in America. This year Northwest growers will market enough turkeys, via Northern Pacific, for 1,350,000 dinners.



- Q. Pilgrims invented cranberry-turkey combination. Fact or fiction?
- A. Fiction. Indians invented it. Today Pacific Northwest growers ship around 1,800,000 pounds of cranberries annually over the "Main Street of the Northwest"



- Q. This white flag symbolizes surrender. Fact or fiction?
- A. Fiction. It signals an "extra" freight train. "Extras", delivering vital war materials, are a common sight on Northern Pacific tracks today.



- Q. Northern Pacific Railway links the largest number of important population centers in the Northwest. Fact or fiction?
- A. Fact. That's why Northern Pacific is called "Main Street of the Northwest".



# NORTHERN PACIFIC

MAIN STREET OF THE NORTHWEST

If government could show a comparable improvement in efficiency and cost to the taxpayer, ours would be the best run nation in all history. Yet the Vice President tells us that government ownership of the railroads is inescapable, and that private management is to blame. We don't get it, Mr. Wallace, even in an election year.

#### War-time dilemma

MANY business men who come to Washington to help out on war jobs puzzle over whether they will be most useful at a war agency desk or back home in the plant. Often it's a Hobson's choice. Housewives sometimes have similar problems, we learn from the public prints.

Recently the newspapers reported the plight of a mother who, eager to do her bit, volunteered for work in a day nursery. She hired a maid to look out for her own children during the hours she was away from home. Soon she was assigned to look after a "problem child," a little boy whose mother was unable to give him proper attention. The little boy, of course, turned out to be the maid's child.

The reporter who wrote up the incident was reminded of the old song. "Who'll Take Care of the Caretaker's Daughter, While the Caretaker's Busy Taking Care."

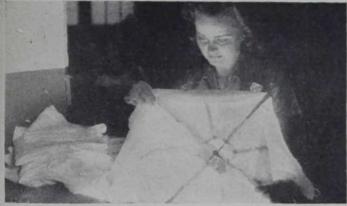
#### Tremendous trifles

PHILADELPHIA—The District Office of Price Administration said Wednesday it would take criminal action against anyone interfering with its investigators. A spokesman for the office made the statement in commenting on a report that two agents were ushered out of a farmers' market at Shillington, Pa.

THIS Associated Press item led us to look into the circumstances of such drastic action. We found Shillington (pop. 918) located in Lancaster County, Pa., in the heart of the Pennsylvania Dutch country. It seems that R. B. Lausch, a butcher, was serving his customers when an OPA investigator came in behind the counter to check up on Mr. Lausch's pre-dated ration stamps. Business went on as usual until the investigator turned his attention to Mr. Lausch, making some cutting remarks about the way he was cutting his meat. Mr. Lausch, proud of his calling, humiliated before his customers, talked back to the Federal Agent. The customers joined in the argument, which developed from light into heat. At this point the OPA butcher-pedagogue was ejected "because," as Harold Ludwig, owner of the market testifies, "his actions were disturbing the peace of my establishment."

There is nothing but praise for the efforts of OPA in carrying out its mandate to keep prices down and thus avoid inflation. But zeal of administration should not outrun judgment. Next to Lancaster County is York, and it was there, it should be recalled, that the NRA met its Waterloo—or Yorktown—in an overzealous administration of the affairs

# HOW light helps speed War Production!



Spots snags. Smooth, silhouetting light from recessed G-E Mazda Fluorescent lamps covered with sanded glass makes it easy to locate weak spots in parachute material . . . and do it fast.





Makes "mikes" talk . . . and talk plainly. In many a war plant confusing reflections on the barrel of a micrometer make it hard to read. But under a large area source, of low brightness, the figures stand out clearly.





Gloom chaser. When you have to work in your own shadow, you strain to see, make more mistakes. But move the lighting fixture slightly, to put the light where it helps and you can see the difference!

Hear the General Electric radio programs: "The G-E All-Girl Orchestra", Sunday 10 p. m. EWT, NBC; "The World Today" news, every weekday 6:45 p. m. EWT, CBS.

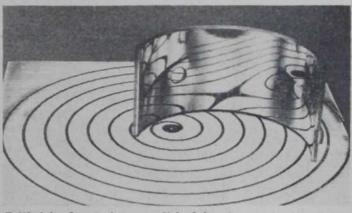
GE MAZDA LAMPS







Saves time. Shadows on the dial made it hard to read. But a white collar placed around the dial shaft at a 45° angle reflects light on the scale to speed seeing, increase accuracy, reduce fatigue.



Tattle-tale. Inspecting a polished bearing surface is tough under ordinary light. But place it on a smoothly lighted diffusing glass with lines on it; clean-cut reflections say "OK", distortion says "roughness".



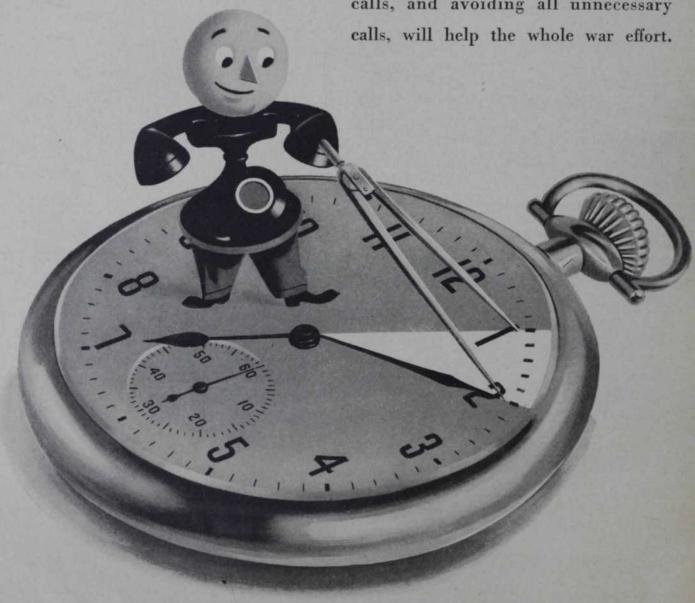
Write for a copy of the new booklet "How Light Can Speed Victory". Gives many practical suggestions on lighting for production. Write Dept. 166-NB, General Electric, Nela Park, Cleveland, Ohio.



### PLEASE LIMIT YOUR CALL TO FIVE MINUTES

When a Long Distance circuit is crowded the operator will say: "Please limit your call to five minutes."

Observing this time limit on essential calls, and avoiding all unnecessary calls, will help the whole war effort.





#### PREVIEW OF TOMORROW'S POWER

IF you want a glimpse of how tomorrow's hard jobs will be done, look at what is doing the tough war jobs today — such jobs as building airfields in the jungle.

Look in tanks and trucks, in landing barges and patrol vessels, in tractors and auxiliaries. You'll find General Motors Diesel Engines packing them with power.

This grueling service is emphasizing the virtues of GM Diesels—highlighting their ruggedness—showing how little fuel they use, and low-cost fuel at that.

With the war won, our expanded facilities will be turned to peacetime needs, and these engines will be available for many applications where America will need dependable, economical power.



New eras of transportation follow in the footsteps of war. Another new era of transportation is assured in the wake of this war. General Motors Diesel Locomotives already are establishing new standards.

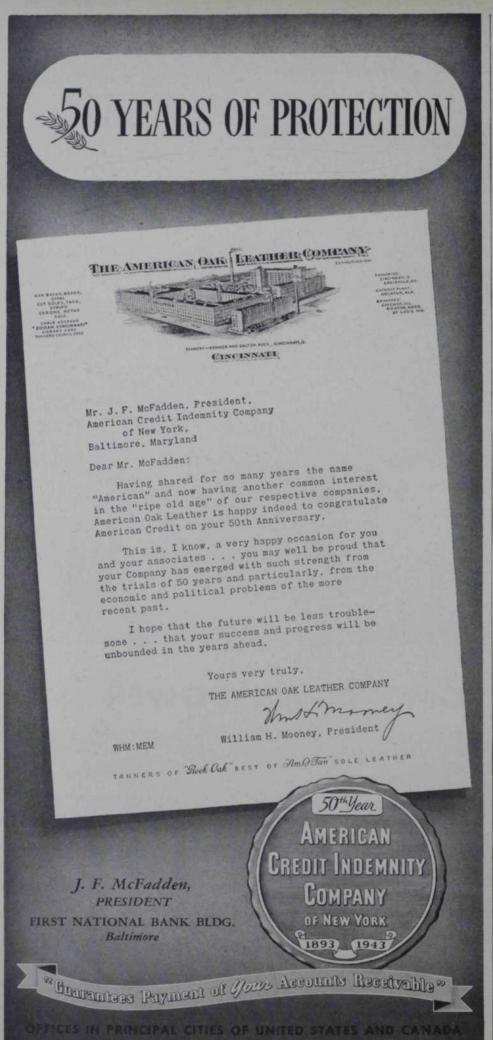
#### BACK THE ATTACK-WITH WAR BONDS



ENGINES ..... 15 to 250 H.P.... DETROIT DIESEL ENGINE DIVISION, Detroit, Mich.

ENGINES . . 150 to 2000 H.P. . . CLEVELAND DIESEL ENGINE DIVISION, Cleveland, Ohio

LOCOMOTIVES ...... ELECTRO-MOTIVE DIVISION, La Grange, III.



of one Fred Perkins, battery manufacturer, which became a cause celebre.

#### Planning for the next war

OVER IN Baltimore, OCD volunteers have voted to organize a nation-wide post-war organization among the more than 10,000,000 such volunteers in the country. A tentative constitution for the organization provides for induction rituals by candle-light and establishment of eight institutions for care of destitute children of OCD volunteers. Permission of the President for formation of the organization is being sought.

Congressman Ellison, of Maryland, addressing the initial meeting in Baltimore, told the volunteers: "Frankly, the possibilities of the organization overwhelm me. It would be a pity if you just let the organization (OCD) go by the way."

Organizers of the movement apparently are skeptical of "war to end wars." Mr. Robert T. Bensel, chief organizer, pointed out that the Bible says, "there will be wars and rumors of war." It is important, he added, that a civilian defense organization be kept intact to "serve during the next war."

We've heard a great deal about various forms of preparation for what follows peace. So far as we know, the OCD organization is the first in the field to start preparing for the next war before this one is over.

#### Enterprise-not so free

A FEW months ago the Government purchased the biggest and best-known commercial garage in downtown Washington. The garage charged its customers \$15 a month for storage and parking. Under government management, the same facilities are costing the Government—i.e., you, as a taxpayer—\$32.75 a month.

Under questioning by a Senate committee, an official of the Federal Works Administration, in charge of the garage, stated that he "felt sure the garage will grow more valuable to the Government" as the various government departments "become more thoroughly acquainted with its facilities."

Senators were quick to point out that this implied a sales campaign to get agencies to switch their patronage to the government-owned garage.

Later, the Budget Bureau prepared an Executive Order for the President's signature compelling the agencies to use the Government garage.

Here is an example of the time-worn formula to get Government into business. This is the cycle:

First, convince Congress of a "crying need," an "insatiable demand" for a service, which produces an appropriation.

Second, set up the undertaking.

Third, when the demand is not forthcoming, get an appropriation to create it, because otherwise the "investment would be lost."

Finally, fourth, compulsion or "below cost," to obtain the "insatiable demand" which started the project.

# Something you ought to know about Rayon Stockings

• It doesn't exactly come under the heading of news that present stockings hardly match the public's expectations of rayon.

We know that as well as you do. But when you've read the answers to some of the questions that are probably occurring to you right now...we hope to have proved that the rayon industry and hosiery manufacturers are not the scapegoats in this case. For instance...

#### QUESTION 1. Is it possible to make good hosiery from rayon?

**Answer:** Yes. American Viscose Corporation knows how to make a stronger kind of rayon that would be just right for stockings. Wear tests prove this.

#### QUESTION 2. Why isn't this rayon produced then?

Answer: Every machine capable of producing this type of rayon is now working full time for an even more important customer... our armed services. This high-tenacity rayon is used to make yarns for bomber tires, parachutes, tow-targets and other vital military material. As a result, the only kind of rayon available for stockings is a kind intended for light-weight woven fabrics that would never be subjected to the same strains as hosiery.

#### QUESTION 3. Then why are these rayon yarns used in hosiery today?

Answer: In order to keep hosiery mills running so that American women can have stockings during the war... the government has had to allocate a percentage of all rayon produced for hosiery purposes. Without this rayon, America's stocking requirements could never be met.

These are the facts . . . today. But we can promise you rayon stockings that will match your ideas on performance . . . after final victory.

#### AMERICAN VISCOSE CORPORATION

Producer of CROWN\* Rayon Yarns and Staple Fibers

Sales Offices: New York 1, N. Y .; Providence, R. I .; Charlotte, N. C .; Philadelphia, Pa.

\*Reg. U. S. Pat. Off.



HELPING TO WRITE THE STORY OF TOMORROW

CHULA VISTA, CALIFORNIA

# **MANAGEMENT'S** Washington

A last minute roundup by a staff of Washington observers of government and business

TREND OF MOST SIGNIFICANCE TO BUSINESS and management is the swing away from big government with all its socialistic implications, its curbing effect on free enterprise.

This is the backswing, the reaction, from the supergovernment built up during the 1930's.

Involved also is a reaction from the early war days when Congress passed appropriation measures with lightning speed, when Washington measured war progress by dollars allocated, persons hired.

> House appropriation committee's slashing of 82 per cent off the administration's supplemental budget is an expression of these reactions.

Rough treatment accorded the New Deal tax program, approval of a tax total a fraction of that asked, is another.

Both reflect Congressional determination to force curtailment of government bureaus, government activities, government pay rolls.

Perhaps some Congressmen voting against administration appropriations are not aware of the full significance of their votes-which are a manifestation of revolt against the governmental trend of the last decade.

Economy forces in Congress interpret Republican political victories as public endorsement of anti-big-government\_policy, gather more strength.

Most optimistic estimate of this growing economy group is that 300,000 will

be cut from federal jobs.

This would take extensive pruning of next year's appropriations, could not be accomplished before mid-1944.

Even that cut would reduce length of government pay rolls only ten per cent.

Note: Some Congressmen who voted bureau budget cuts in committee sessions have received protesting letters from "constituents" before the vote was publicly announced.

This shows the bureaucrats' sensitivity to Congressional action. It also warns of the fight they will make to hang onto their jobs.

The economy swing clearly indicates that President Roosevelt has lost control of this Congress, even though it is dominated by his own party.

Congressmen, quick to sense feeling in the grass roots, are abandoning New Deal spending policies.

This is as true of Democrats as it is of Republicans.

Commendatory letters, as usual, are

A hostile Congress, even though it is hostile on domestic issues only, greatly decreases the attraction of a fourth term.

Looking for consumer goods? Keep an eye on government surplus property lists.

Sale of surplus is Government's newest Big Business.

While Congress treads water on disposal problems and administration "studies" them, Treasury's procurement division goes ahead and handles the business.

The division finds it both good and growing. Figures show its rapid rise.

In October Treasury disposed of \$10,500,000 worth of goods marked surplus.

That is two-fifths of all surplus disposed of by Treasury since it took over the job under presidential executive order last February.

Less than half the goods moved in October went to other government divisions-which get first crack at it under the President's order.

The major part-\$5,700,000 worthwent to the public through Treasury's 11 field offices.

Most property sold so far has been shop, construction equipment, raw and processed materials. Priorities are required on controlled equipment, materials.

But consumer goods listings will rise sharply as Army releases warehoused surpluses.

To learn what government is offering and to get on bid lists, write the nearest Treasury procurement division field office.

These are in Boston, New York, Washington, Cincinnati, Chicago, Atlanta, Fort Worth, Kansas City, Denver, San Francisco, Seattle.

First complaint of surplus dumping comes from National Stationers Association, which reports that ink, paste, blank book binders, other stationery items have been sold outside regular trade channels.

Association asks members to urge their Congressmen to provide for a five-year moratorium on surplus sales.

▶ Transportation men looking toward 1944 see one big ray of hope—

Traffic demands can't become much greater because the nation's productivity has reached—or come very close to—its peak.

Even so, those in the transport field say the outlook is somber.

ODT Director Joseph B. Eastman's order prohibiting extension of truck operations unless specially authorized by ODT reflects seriousness of the highway transport situation.

WPB has upped both truck and tractortrailer production, but the increase will not exceed and may not meet replacement requirements.

Large size heavy duty tires are scarce, will continue to be scarce. Rubber mills, manpower, are inadequate.

Army orders for trucks, trailers, tires, have increased greatly, adding to civil transport troubles.

Railroads, credited with doing one of the war's outstanding jobs, will be asked to tighten their belts still more.

This includes quicker, fuller loadings, faster movements. Same will apply to trucks.

We hate to disappoint you, but—you can expect fewer government reports to cross your desk in the future.

Momentum gained in the business men's battle to stem the flow of OPA and other questionnaires is carrying them beyond their original goal.

Now they are examining critically the long list of statistical reviews, other periodic reports that spout from dozens of bureaus, new and old.

They plan to weed out <u>duplications</u>, others that do not have enough <u>practical</u> value to warrant their continuance.

Examiners who will determine "practical value" are members of the business

and industry committees appointed to work with Budget Director Harold Smith to break up the questionnaire heyday of a year ago.

Smith was authorized by Congress to check all government forms, consult with industries affected, reject those that could not be justified.

Business men are encouraged by Smith's cooperation, point to a 50 per cent cut in government's time-taking question-naire demands.

▶ WPB officials search for a formula for equitable distribution of materials among civilian goods producers.

Here's their problem: Supply of many materials exceeds war's demands. These could be diverted into essential civilian lines.

But surplus (over current war needs) isn't large enough to spread among <u>all manufacturers</u> who might be able to use it.

If one or a few producers in a single line, stove-makers for example, were allocated sufficient materials for mass production they would have a marketing advantage over competitors denied material.

If the market were thrown open, WPB reasons, plants without war work would gain competitive advantage over those filled with it.

Manpower shortages, of course, complicate the problem. No surplus materials will go to areas where war production manpower is short.

There's renewed talk of marketing brandless "victory" models in civilian lines until all competitive producers have equal opportunity to resume prewar positions.

The good cheer you get from your distiller this holiday season will be <u>half</u> spirits and half wishes.

Check of the industry shows distillers are releasing from 50 to 60 per cent of shipments a year ago. Few, if any, plan extra holiday rations.

Whiskey makers individually are enforcing their own conservation programs, hoping to make present stocks last through the war.

Situation in <u>Scotch</u> is similar. Scotland's distilleries stopped making whiskey at about same time those in U. S. switched to war alcohol. That was in October, 1942.

Public utility experts see <u>special</u> <u>significance</u> in Secretary Ickes' reor-

ganization of the Interior Department bureau of reclamation.

Some interpret Ickes' action as a definite step toward expansion of government power holdings after the war.

The little noted reorganization has divided the bureau administration into six regions.

In each a <u>power representative</u> with considerable administrative authority and latitude may carry out power development, negotiate sales, agreements.

He is responsible not to the regional reclamation director, but to the Interior Department power division, operated directly under Ickes.

This set-up, private utility men charge, enables the Government's power group to operate under the cloak of the widely accepted reclamation service.

Early reports indicate wheat plantings will fall substantially below government goal for 1944.

Goal is nearly 30 per cent above 1943's 50,000,000 acres in wheat.

Farm experts say unless goal is reached some <u>restrictive steps</u> in wheat use may be necessary next year.

War's drain on wheat stocks is shown clearly in this year's figures. Crop was about 835,000,000 bushels. Use totaled 1,200,000,000.

Thus the carryover, 618,000,000 bushels at the year's start, was reduced to 353,000,000.

War drains include wheat used to make alcohol for explosives and synthetic rubber, heavier than normal demands for foods, both human and animal.

Experts say first wheat saving step probably would be substitution of sugar for making alcohol.

Thus you will have enough breakfast food, but you may not be able to sweeten it to taste.

▶ OPA now has a business man administration, but that doesn't solve all your rationing problems—nor all of OPA's.

Chester Bowles is guided, bound by same law, same conditions, that governed Leon Henderson and Prentiss Brown.

White House still dictates policies, through recommendations from Economic Stabilizer Fred Vinson and Adviser Sam Rosenman.

Nevertheless Bowles has succeeded in convincing the public that rationing is not a reform but a war measure. Perhaps much credit for the quiet on the rationing front should go to the storekeeper and his customers.

They've become used to it, are putting up with it with less complaint.

Send your tax headaches to Colin Stam, chief of staff, joint committee on internal revenue, New House Office Building, Washington, D. C.

Stam doesn't want the headaches, but he wants to hear about them.

He is charged with drawing up a plan for simplification of taxes, both corporate and individual.

Experts from Treasury, Internal Revenue Bureau are working with Stam's staff, hope to prepare a plan of action this month.

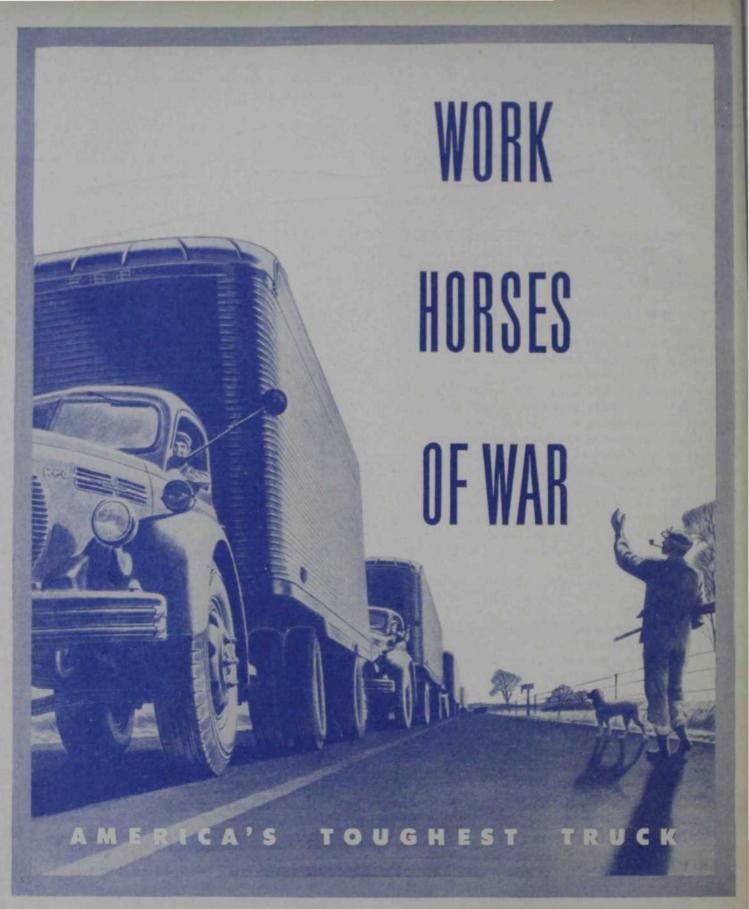
Outside tax experts say simplification is sorely needed, but can come only with complete rewriting of internal revenue code. That might be done.

Dept. of when the war will end:

Military history students say that in
our last four wars the enemy has cracked
up six months after U. S. production
reached its war peak.

The production mark (so far) in this war came last June, with \$7,600,000,000 spent. That is six months ago.

TOO LATE TO CLASSIFY: Because Washington officials change status so often, their names no longer can be printed on government letterheads, rules Budget Bureau. This will save 9,500,000 pounds of paper, it adds ... . Henry M. Spelman, Jr., chief of OCR leather section, predicts use of old tire carcasses for shoe soles....World War I infantry division had 4,400 horses, 153 motor vehicles. Present count: 3,500 vehicles, no horses.... Coal men say biggest trouble with government operation of mines is the endless forms they must fill out. Otherwise business is about as usual.... W. A. Patterson, United Air Lines president, says planes he ordered before war, to cost less than \$300,000, now would cost \$400.000 because of higher wages in aircraft plants. What was that about a helicopter on every garage roof? ... Army Ordnance Department's use of resin (for plastics) will total 8,000,000 pounds this year.... High prices being paid for East Texas oil lands indicate speculators' belief that oil prices will go up. ... Five British shipping companies operating South American services announce they will form separate company to operate air routes "as soon as the necessary consents and machines can be obtained." ...



Over peaceful American highways—and at the global battle fronts—powerful convoys of Reo trucks speed the weapons and supplies of war. Proved on today's toughest jobs, trucking will play an important part in the new peacetime world—with Reo in its traditional position as a time-honored builder of fine commercial vehicles.

REO

REO MOTORS, INC. . LANSING, MICHIGAI



### Memo: Don't Forget the Exciters

N PLANNING for after the war, isn't there danger of placing too much emphasis upon our capacity to produce? We have, it is said over and over again, the plant to produce a \$125,-000,000,000 income.

Well, what of it? Nothing novel in that. There never was a time when our production did not keep up to demand. Granted that the machinery for doubling our peacetime business stands ready to perform, what then? What is necessary to make it turn over and gain speed? It cannot move of its own volition. It has no self-starter. It turns out goods and services upon demand. And back of demand lies insistent, not-to-bedenied desire.

Too many of our economists and political planners overlook this factor. They think business is static. Business in the United States is normally the sum total of 100,000,000 daily transactions between individuals. These "trades" move the 75,000,000 horsepower in our plants. But, in turn, these exchanges are stimulated, promoted and brought to consummation by a little group of exciters, of dissatisfiers, of evangelists of more and better things. They sustain the pressure on progress, they alone prevent the collapse of our famed standard of living, they buck up and back up that old-timer, demand.

Some planners recognize this truth in a lefthanded way. They predict a boom period for a year or two after the war because of pent-up demands. But they stop short of considering ways and means of continuing those demands. They give no thought to the skill and sweat which caused those demands originally.

A little Negro boy was asked if he wanted to make a quarter and he replied, "No, suh, I done got a quarter." That homely—and ancient—yarn goes to the root of the whole matter. Consider the day's news: Wages skyrocketing on a South American rubber project—twice as much paid

Eskimos as a year ago—bonuses paid to woodlot workers to meet the paper pulp scarcity—and in every case, as purchasing power exceeded desires, less days were put to labor, and production actually decreased.

We all have our quarter.

On every giant generator, capable of pulling loads equal to that of 250,000 horses, there is a little box about two feet square. Engineers call it an exciter. The "horses," they tell us, are naturally lazy just like real horses and humans. If a spur is not put to their flanks, they loaf, go to sleep, stop. Every power and light plant must have its exciters.

When the Master Plan is written to encompass all postwar planning, it should pay a good deal of attention to the exciters and their encouragement; it should draw lessons from their incessant work in switching us from coal oil lamps to electricity, from the buggy and iron-bound wheels to the auto and rubber tires, from their victory over our resistance to, yes, to the railroad, telegraph, telephone and airplane. Most conveniences we enjoy today were "sold" to us with great travail, not by twilight sleep.

We should urge management now to call upon the men and women of its "exciter" department to speed up sales and promotion plans, to telescope into 12 months ideas which normally would come in five years; to realize that upon their resourcefulness and energy hangs the \$125,000,000,000 speed of America's production machine. To the extent that they are able to make us unsatisfied, to want better products and services, to that extent will we desire and produce and exchange, and make come true our fondest hopes of reconstruction.

Merce Thorpe



#### A new war "paint" goes on the war path!

#### ANOTHER REASON FOR GOOD/YEAR LEADERSHIP

THE shrill call to General Quarters ... men leap from their bunks and go pounding down the decks to gun posts. With split-second timing, every man must arrive at his battle station. If just one happens to slip, the fighting efficiency of the entire ship is instantly impaired.

That's why a new type of flooring surface was needed for slippery, wave-washed decks... something a man could brace his feet against... keep his footing in the roughest kind of going.

Out of the laboratories at Goodyear has come a remarkable plastic which gives men safe footing on any deck. It's called Dektred. It can be troweled on the deck or sprayed on like paint. Then it hardens to form a tough, non-slip surface that is completely weather-proof.

Today Dektred is serving on American ships—in gun emplacements, on deck stairs, passageways, and on the flight decks of aircraft carriers. When the war is won, this new durable Goodyear product will have many practical peacetime uses—in homes, stores, factories, public buildings, and in all kinds of mobile transportation.

Long a pioneer builder of tires, Goodyear also has wide experience working with metals, fabrics, plastics, chemicals—materials vital to America in today's warfare, vital to the better world you are going to live in tomorrow.

If you love your country-buy more War Bonds



THE GREATEST NAME IN RUBBER



# When Industry Is Mustered Out

By LAWRENCE SULLIVAN

WAR CONTRACTS usually are cancelled by telegraph. When Washington decides it has enough, it means enough as of last Tuesday. "Stop production!" From that point, management is face to face with the dark realities of Contract Termination.

There's next week's pay roll; mountains of raw materials in the yard, perhaps half of it in various stages of manufacture. There are special jigs and tools to be liquidated, loans to be met, old machinery to be swung into production. On the balance-sheet the picture is good; assets are big and liabilities small. But termination jells the inventory assets temporarily, and pay rolls always are expressed only in cash. Without immediate cash, employment must be curtailed. And, war or peace, unemployment is the first omen of recession, Problem-cash termination settlements, promptly!

In broad aspect, liquidation of uncompleted war contracts is a problem

THE SUCCESSFUL approach to postwar solvency and stability depends on quick settlement, without tedious audit, of cancelled war contracts

> for government. But it is the immediate, practical problem of management because management must know where to turn, what forms to send off, how to segregate and earmark surplus inventories, how to appraise war tools and equipment in accord with Washington's definitions, how to start negotiations for the termination settlement. It's a special job for a top-flight executive, one familiar with every aspect of production, finance, taxes, and government relations, with markets and all the special engineering problems of reconversion-a vice president, so to speak, in charge of Contract Termination.

Such an executive, when that inevi-

table telegram arrives, will have on his desk a program to flow into action within the hour.

To date approximately \$10,-000,000,000 of war contracts have been cancelled, or "cut back." This is a greater volume of cancellations than hit

American industry at the end of World War I! To put it another way, we have cancelled more contracts during the present war than after the last one. More than 8,000 prime contracts already have been cancelled, out of a total of some 400,000.

Today approximately 200,000 prime contractors are performing an overall average of two contracts each. But these 200,000 prime contractors are supporting a network of at least 2,000,000 subcontracts.

From the procedures developed and results obtained in these 8,000 cancellations, a vast experience is available to guide future policy. The experience has been a grim ordeal for

many contractors. New legislation already is being framed, but many issues of basic policy remain to be clarified. Should each procurement department negotiate a separate termination for each contract? Renegotiation of prices and profits originally was handled by the several departments, each according to its own pattern. As a result some large contractors were renegotiated simultaneously by two or three different departments, with an attendant duplication of legal fees, cost accounting and red-tape formalities. To eliminate such duplication, the suggestion has been advanced in Congress that a new overall federal agency be established to handle all termination settlements. Such an agency would include representatives of the principal procurement departments, Army, Navy, Maritime Commission, Treasury and Lend-Lease.

#### Principal objectives

ON the other hand, several industry spokesmen contend that the original contracting agencies probably could settle 75 per cent of the contracts by routine procedures, without dispute, leaving only contested cases for final adjustment in Washington.

Three principal objectives are in mind on Capitol Hill:

First, the termination arrangement

must provide quick cash resources to enable the supplier to convert to peacetime production without an abrupt contraction in employment.

Second, capital tied up in inventory must be made liquid at once, either through purchase for government stockpiles in the case of strategic materials, or through direct transfer of title to the processing company, to serve as collateral for bank loans against peacetime production.

Third, the Government must take title to a vast array of industrial machinery and tools designed exclusively for war production. As measured in horsepower, most of the wartime industrial plant, of course, can be diverted immediately to peacetime production. But something between \$10,-000,000,000 and \$15,-000,000,000 in special jigs, tools and equipment will remain for assignment to government arsenals and shipyards.

Congress agrees that the formula for dealing with these problems must be determined long before the day for wholesale contract termination arrives. Continuity of employment, the first objective of the transition program, pivots on a plan for termination settlement ready to be applied overnight.

One of the most difficult problems the policy makers face relates to subcontracts. Shall the termination arrangement made with the prime contractor cover also all his subcontractors? Or should each subcontractor be terminated separately from Washington, the Government having regard for the type of production and the convenience of reconversion?

Allowing the prime contractors to terminate their subcontracts would mean giving them a vast amount of government authority. On the other hand, direct termination of each subcontract by government would set up a job which hardly could be accomplished within a year, whereas termination must be signed, sealed, and delivered in 30 days if hardship, unemployment and widespread bankruptcy are to be avoided.

Another problem: Should Congress attempt to set down a broad termination formula for all industries, or

should each industry have a different plan, depending on the time required to swing into peacetime production? Should each major war-production industry set up a task Committee on Contract Termination Policy, to function much as the WPB and OPA advisory committees now operate? The suggestion has some merit, because war production will be terminated in stages and by degrees in various lines. Aircraft, for example, likely will be going full blast long after artillery is cut back to 25 per cent of the maximum war schedule.

One device to hasten cash settlements already is in experimental operation. It is the VT loan, made through regular commercial banks, but underwritten and guaranteed by the Federal Reserve System and the Treasury. The VT loan, however, is available only up to the amount certified by the government procurement agency after all details of the termination settlement have been agreed upon. It is merely a pay-off method to be employed after the settlement is negotiated.

The Government pays all interest on VT loans pending final clearance of the settlement check through the General Accounting Office. This check then liquidates the loan and the interest is charged to the Treasury through the Federal Reserve System. But this

device could not serve the contractor who might be compelled to wait three months for an agreement with the War or Navy Department on the specific terms of his termination.

#### Suggested plan

TO HANDLE this type of case, one plan suggested before the Senate Military Affairs Committee would authorize the contractor to use his accumulated income and excess profit tax reserves, covering his next tax payment with a note endorsed by the proper procurement agency, the note to be held by the Treasury as a lien upon the final termination settlement. This plan would at once release billions of dollars in tax reserves for termination settlements without intervening fiscal operations.

Present estimates are that something between \$75,000,000,000 and \$100,000,000,000 are involved in uncompleted contracts. (Continued on page 92)



"Victory will never come in a package wrapped in red tape," according to General Knudsen

# The Unpredictable Stockholder

HE WRITES only when angry, won't read reports and sometimes hopes the company will be put out of business

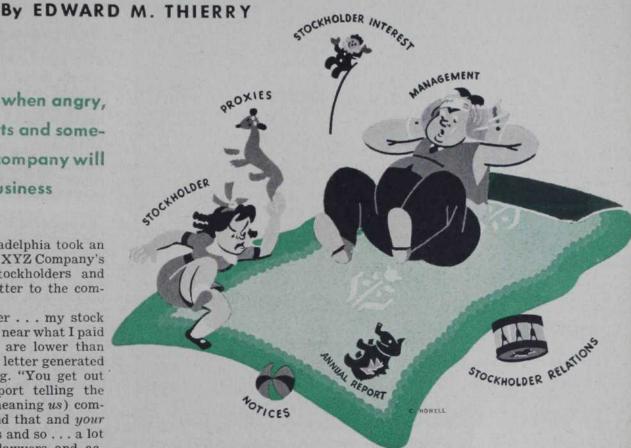
A WOMAN in Philadelphia took an indignant look at the XYZ Company's annual report to stockholders and wrote a scorching letter to the com-

pany president:

"I am a stockholder . . . my stock isn't worth anywhere near what I paid for it and dividends are lower than ever before, etc." The letter generated heat as it went along. "You get out a fine expensive report telling the stockholders your (meaning us) company is doing this and that and your directors believe thus and so . . . a lot of stuff written by lawyers and accountants . . . sounds the other way around, it's yours indeed and not ours! Instead of printing fancy annual reports why not give us the money in dividends?"

The president replied promptly. He was extremely sorry to learn of madam stockholder's "disappointment in the lower market value of the stock, and would like to point out that the dividend rate had not been reduced although there was naturally a lower percentage yield on the basis of the present market quotations; and market quotations, often based on factors other than a company's earnings and prospects, are of course something over which a company has no control."

"It was kind of you," the president went on, "to write us about our annual report. We have tried to make our reports as fully informative as possible, and it seemed to us that an attractively printed and illustrated report might induce more stockholders to read it . . . anyway, the total cost of the report was equivalent to but a fraction of a cent per share of the company's outstanding common stock; therefore, if we had printed no report at all, the savings would have added nothing tangible to the amount available for dividends."



Far from ignoring the "little" investors, intelligent corporation executives are learning that it pays to coddle them

This stockholder could take it. She replied that she thought the president's letter was swell, that she now understood the situation better.

"I'm willing to admit I'm wrong," she concluded, "but I still think annual reports to stockholders are spinach!"

#### What do they think about?

NOT all stockholders are so refreshingly articulate. Of the few who are articulate at all, not many ever admit wrong conclusions.

What do stockholders think about? Many corporations have been trying to find out for years. Dividends, of course, first and always—but what else? One public utility company got a blunt answer from a woman stockholder. (Incidentally, women constitute at least half of the registered stockholders of most American corporations.) This woman wrote:

"I do not care to receive any more letters from you about legislative matters, or *anything else*. I don't want your reports either. Send me my dividends, nothing else."

The company executives knew when

they were licked. They tagged the mailing list for "Dividend Checks Only" and wrote a polite letter saying the instructions would be carried out "until notified to the contrary."

This particular stockholder took no notice whatever of the company's efforts to inform her of a threat against her property rights, not even to the extent of trying to find out whether the company was correct in considering the threat real and not imaginary.

On the other hand, some stockholders berated the company for not pro-

testing to Congress.

While the holding company legislation was pending, many stockholders did write to the companies whose stock they owned and even to members of Congress as well. Mostly they were against the legislation. Some were for it; a few even hoped the companies would be "put out of business"—yet they did not sell their stock.

Stockholders, by and large, frequently miss the important matters that affect their property. But there are always those who seize upon minor matters.

Corporation secretaries each year

grow more careworn and haggard when they wrestle with the problem of notices and proxies for annual meetings of stockholders. Some corporations have tried to save expense and expedite returns by providing postcard proxies. Some stockholders complain that this method is too public; they wouldn't think of sending their signatures through the mail so openly.

"All right," says the secretary next



"Why don't you pay off in canaries, aspirin or barbed wire?"

year, "we'll use a postage prepaid envelope."

Promptly come letters criticizing the cost of this method.

#### Kicked about wide margins

A WOMAN in Hoboken complained about one company's mailing methods because she lived in an apartment house where nosey neighbors could look over her mail. She particularly did not like getting dividend checks in window envelopes, which plainly told the neighbors when and from whom she got her income. So the company tagged its mailing list so that this one stockholder out of some 70,000 could get her checks in plain envelopes.

The prize for a suggestion for management economy goes to the stock-holder who wrote to say that the company's annual report was a dreadful waste of paper because of the wide margins on each page.

Impulses of economy cause some people to be stringsavers; and there are stockholders who save postage-prepaid envelopes which corporations often send out in soliciting proxies and use them, sometimes years later, for other communications to the company.

A Milwaukee-dentist, a long-time and most friendly stockholder, used to use the envelopes for sending in clippings from the company's reports and from newspapers written over with witty comments. Once, sympathizing with the management for the hard road it had to travel, he enclosed a small package of foot powder.

A woman in Montreal, objecting to a dividend paid in shares of stock of an underlying company, wrote:

"Why not pay in canaries, aspirin or barbed wire like the Germans?"

That was too much for the distracted person who handled stock-holder correspondence. He drafted this reply:

"We have moved the canaries out of the cage to make room for ourselves, and the Securities and Exchange Commission has surrounded us with all the barbed wire not under priority. As for the aspirin, we doubt if there will be any left for the stockholders after we have relieved our own headache."

They didn't send it.

Stockholders relations have become an increasingly important phase of corporation management. In recent years most of the larger corporations, and many small ones, have paid much more attention to stockholders than ever before; those who have been carrying on the work for many years have devised new methods seeking to stimulate interest.

These managements are simply broadening their sales promotion. Customers are not the only prospects. There are really three groups: the public (including the customers); the employees; and the stockholders. The importance of the groups, from a wise public relations view, is in the order named; yet the groups overlap. A company that talks up to one group and talks down to another finds itself on dangerous ground.

Notwithstanding these dovetailing relationships, stockholders seem to be a distinctly different breed.

Most stockholders are apathetic, many fast asleep. Generally they don't seem to give a damn. When they do, a few write caustic letters, appear as hecklers at annual meetings, file nuissance suits, and hang on to their few shares apparently just for the pleasure of stirring up trouble. This type are almost always the holders of only a few shares. The larger holders, who have analytical facilities, are more likely to have a constructive approach.

Actually, only a small proportion of the stockholders of any corporation ever call or write to find out what is going on. Most of those who do are discontented. Apparently the contented ones regard silence as consent. Management, usually a minority group, thus takes things for granted; if it is good it gets along without

stockholder applause. If it is bad it is not bothered with any stockholder checkrein. True, the Securities and Exchange Commission holds checkreins which sometimes penalize good managements and do not always hamper the bad; but no law has yet been devised to protect careless investors.

#### Largest unorganized group

STOCKHOLDERS are a large and important group, the capitalists, mostly of small means and small holdings, who supply the venture money that has built the American economy. How many are there? Estimates run from 10,000,000 to 15,000,000 men and women, not counting an unknown number of bondholders who are mostly unregistered. There is no accurate census of stockholders, because many own shares in more than one company and also both preferred and common shares in a single company.

In addition, there are indirect owners of corporation securities—said to number some 66,000,000 life insurance policy holders and 45,000,000 savings bank depositors. Obviously, there are millions of duplications among them. It is equally obvious that a major segment of America's population has an interest in what is called private enterprise.

Stockholders—investors, if you like—are the largest unorganized group in the United States.

It has been proved that a corporation cannot rally its own stockholders for a cause. Congress took six and one half months in 1935 to enact the Pub-



She endorses the handy dividend check to the garbage man

lic Utility Holding Company Act. It might not have enacted such drastic legislation if stockholders had united in protest.

Here is a yardstick of stockholder interest: One of the oldest and largest companies, which many proponents of

# Property, the Basic Human Right

By C. P. IVES

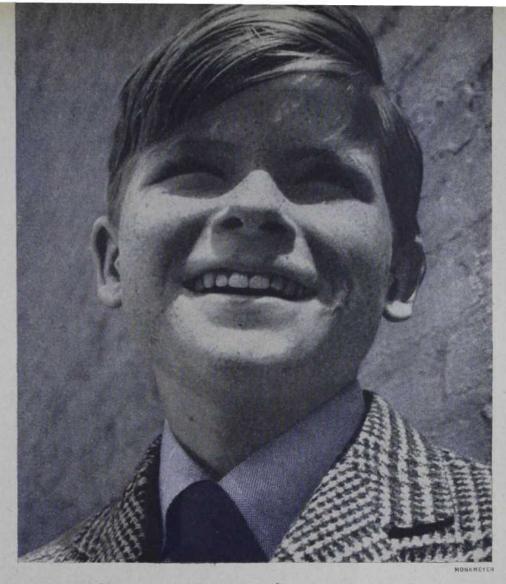
JOHN DOE, crack loftsman in a shipyard in the big town, doesn't like the plant set-up. Besides, his wife is homesick. She wants to be nearer Mother and the girls. John and Mary make up their minds to go back home.

But when John puts in his notice the boss gives him an argument! He tells John he can't do just what he wants to do in the matter of a job. And right behind the boss is the U. S. Government.

John, of course, is in what the War Manpower Commission calls a critical occupation. Ships are war work. What's more, the plant where John works is in an area of manpower shortage. That means that the Government has worked up an elaborate system of controls to keep good men like John in the jobs where they can do the most good for the war effort. Though there is no compulsory service law, the Government does hold in the background a constant threat to put John in the army unless he works where he can do more good outside the army.

When it was pointed out to them, John and Mary could see the need for staying in critical war jobs but they still didn't like the idea of taking all this pushing around with no law to go on. They did a lot of thinking. For the first time in their lives they'd come up against compulsion. They saw the wartime need for it but they made up their minds that they'd do what they could to prevent any of this straightarm stuff from spilling over into the peace after the fighting was done.

"And yet—just how could you prevent it, John?" asked Mary.



ONLY so long as every person has an opportunity to control his portion—but only his portion—of the worlds' goods, can the threat of tyranny be held at bay

John couldn't say exactly, at first, but he kept on thinking and out of his thinking grew a new appreciation of the ways in which the rights of property protect the freedom of men. For the first time in his life, John Doe could see how false is the idea that there is a conflict between "human" rights and "property" rights. For the first time, it was clear to him that property rights were pretty much the basic human right.

This is how it works out:

#### Where each man is master

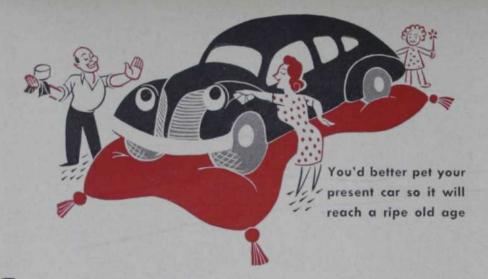
THE very fact that all may acquire property rights means that property rights are widely subdivided among the people. Within the area of his property rights, each man is master, but the area of that mastery is rigidly restricted. At the boundary of the private man's rights the rights of his neighbor begin—and end. The private man's property rights protect him

against the Government, but they protect him as well against his neighbor.

It is just this aspect of property rights which comforts John Doe-the man of little or no property-against the tyrannies of men with property. Consider the propertyless man in the world of property. He has only his labor to sell. He must sell that labor to the Government or to another private man or concern. Usually, of course, since the system of private property restricts the scope of government, the laborer must sell his services to the private man or concern. When he does that, he gives his employer extensive control over his own life. By raising or cutting wages, the employer may regulate the very share which John Doe is to have in the flow of goods and services by which we all exist.

Although this control over the lives of others irritates the shallow thinkers, discipline in industry is fully as important to society as is discipline

(Continued on page 86)



HOUSANDS of cars have coughed their last this year and have been dragged away to junk yards. You'd better pet yours and coax it into delivering all the miles it can.

Your chances of getting a new car grow slimmer every day, even if you have the purchase money and the blessing of your local rationing board. Of the national stockpile of 500,000, thought to be plenty a year ago last February, only 155,000 are left. The military needs cars even more than you do and they are going fast.

By the time the last new car has been bought, used cars will become increasingly scarce. Transportation will move up to near top place on the hit parade of national problems. And you'll be begging to be told when you can get a new car.

The answer is: at the earliest, six months from the date peace is declared.

That is the model there's been so much talk about. Rumor says it will be fashioned out of aluminum and plastics and go twice as far on a gallon of gasoline as your present car. In the pictures which appear somewhere almost every week, it is shown to be roomy and styled in breath-taking lines. It may be low in price, too. Henry Kaiser, the shipbuilder, is reported to be ready to launch a car for \$400 which will have its engine in the rear and be sold at filling stations.

All these rumors suggest the preparation of a revolutionary car. But not one of these reports comes from an established car maker. Automobile manufacturers have made no promises because the first cars they make to sell you in, say, 1945 will differ no more from the model you bought in 1941 than that model differed from the previous year's. It will have improvements, but there'll be nothing freakish about it.

Do you wonder why manufacturers are so backward? One reason is that making new designs and tools for that brand new car would take about two years. Imagine your howl if you had to go carless two years longer! Imagine Detroit with its hundreds of thousands of workers idle for two years! Any idleness is bad and the longer men remain out of work the harder it will become to absorb them. Every idle day reduces purchasing power, which in turn reduces jobs.

#### No time for new ideas

MANUFACTURERS appreciate this. They have decided that their main job is to get peacetime production going as early as possible. To do this they will have to produce the car they can manufacture quickest. There will be no time to winnow visionary ideas, or to capitalize on all the fruit of war experience.

It will take at least three months, it may take eight, to reconvert plants and begin manufacture, depending on what was done to a factory to fit it for war work and the kind of goods it is now producing. It depends, too, on the speed with which others—the makers of lamps, spark plugs, carburetors, and a hundred other items—can produce. The making of cars involves thousands of companies, each producing a raw material, a tool, a machine, a part, or an accessory. All must be in a position to start together.

If you had seen what happened after Pearl Harbor you'd appreciate what conversion means. Machine tools were swept out the door and stacked in vacant lots. Cement assembly line foundations were torn up with pneumatic drills and new ones laid, walls were pushed out and in.

Conversion meant going from order to chaos and back to order at government expense. Reconversion will be a repetition at the manufacturer's expense. And the cost, if not held down, will have to be passed on to you.

Don't let this give you the idea that

### Preview

car makers have been leading you on deliberately with pretty pictures. They have nothing to do with it. The pictures are simply "artist? conceptions." Made by skilled industrial designers, they are legitimate pioneering and designs will be advanced by them eventually.

The much touted "postwar" car will come. It may be the second or third car you buy after the war. If it's made of aluminum it will be lighter, hence have more snap and be cheaper to run. It might cost you from \$75 to \$150 more than your conventional steel car.

Aluminum may be used for car doors very soon. You'd notice it if a door was, say, 30 pounds lighter. It would be easier to swing and it would slam with that nice, deep rumble that speaks good coachwork. Then, if engineers decide that the light metal has real merit they'll use lots of it. They'll be shooting to bring car weight down at least 500 pounds because nothing less will give you the snap and economy worth the extra cost to you. Aluminum might make the rear-engine car feasible, then you'd get lots more passenger space without added car length.

#### Not like an airplane

THE worth of aluminum has been proven in aircraft. Even so, some engineers prophesy we'll have all-steel planes before we have all-aluminum automobiles. They say that what aluminum has done for aircraft is no criterion for automobiles. The problems of design are not alike. An airplane is built for a specific purpose—to fight, to bomb, or to carry troops and cargo. Every pound of weight saved improves performance. There is no ceiling on cost, and appearance is unimportant.

By contrast, the automobile is a multi-purpose design. It must have reserve power for bursts of speed and hill climbing, it must be given protection from the assaults of telephone poles, fences and other vehicles, and on Sundays and holidays it must be capable of quick conversion to carry people and rations. It represents the acme of compromise and it is successful only when it pleases you and a million others and its price comes

## of Your New Automobile

By PHILIP H. SMITH

SEPARATING fact and fancy, one finds that the customer, the tax collector and Congress have almost as much to do with designing the postwar car as the engineers and the industrial designers

within the range of your various the hood anyway. They will style the pocketbooks.

Automobiles were made of aluminum long ago. It was used for bodies, engine blocks, crankcases and other large units. Because it proved costly and hard to fabricate it was abandoned except for small parts. Today it's easier to handle because experience has accumulated, but it still costs more than steel. Engineers are going to experiment with it until they are certain it will make a vastly superior car and they'll sweat until they get the cost down. Dozens of aluminum cars will be tortured to death on the proving grounds before one gets into your hands.

When it is offered to you, aluminum won't be the only talking point. Car makers know you don't appreciate what you can't see, and you never lift

car to make your mouth water.

The plastic automobile is even further in the future. You have plastics in your present car. The steering wheel, gear shifter, and knobs on the instrument panel are made of the wonder material. So are some of the gears. More will be used all the time. But the automobile engineer will stick to steel until plastics can take it when a car rolls over.

#### More miles per gallon?

"THE new car will go twice as far on a gallon of gasoline as your present car." That's a forecast frequently made and it sounds swell. Let's look into it.

You can make a car lighter by using aluminum and, if it's lighter, it will use less gasoline. But supposing engineers turn thumbs down on aluminum. What then?

Smaller engines running on airplane fuel is one answer. That 100 octane gasoline is more potent than any gas you've ever poured into your ' tank. Engines designed for it can be made smaller with no sacrifice of snap. However, there's a catch to this. The reports that this fuel will be plentiful after the war are too optimistic. There won't be enough to go around and the present plan is to blend it with other gasolines to raise the general octane level.

Reducing the overall size of cars is by far the simplest way to lighten them. But no manufacturer or engineer advocates it. Whether or not he approves is beside the point. He is certain that you would not like it and, as the person who buys the cars, you're the boss.

It's been said America needs a good light car to sell, delivered, for \$500. It's implied that weight-saving means cost-saving and a cheaper car for you. It isn't as simple as that. Money can be saved by using less material, but the cost of fabricating parts doesn't drop proportionately with their reduc-



tion in size, and there are just as many of them.

A light car, economical to operate, will have to be smaller until there's some brilliant design engineering. What America needs may not be what it wants. When you've been offered a standard model for \$50 to \$150 less than the de luxe one with the trimmings you've bought the latter preponderantly. You may have planned to buy the cheaper one when you entered the salesroom, but you didn't come away with it and that's what counts. The manufacturer thinks your selection proves that you prefer luxury and smart appearance to lower cost. So, year after year, he's striven to give you more quality, up-to-theminute styling, and enclose it in a bigger, consequently heavier, package.

Economics can exert great influence over car design. That may sound like a screwball idea, but it will stand scrutiny. You're the boss of the automobile world and your bankroll determines what you buy.

#### You make the choice

YOUR economic well-being is a more reliable guide to the car of the future than the air-brush drawings of designers and the forecasts of visionaries. The seers suggest the roads we might travel; you make the final choice.

Several things brewing right now may cause your car to be radically different in the years to come. Most portentous is the threat of an exhausted science always wins its goal, you can prophesy that gasoline shortages will be met by manufacture of fuel from oil-bearing shale and coal. It can be done, but we don't know yet at what price. It's got to be one thing or the other—either there must be more fuel or you must consume less of it.

The tax collector could become part architect of your future car. Every fee or tax imposed on your car raises the cost of ownership and operation. The burden may become unbearable. . . .

We don't know what kind of a world we're going to have after the fight is over. We hope it will be a better and more prosperous one. But if it isn't, if we have to stagger under a load of debt and more revenue must be found, the only escape may be to design less costly vehicles.

You've been getting a whale of a lot better car year after year largely because installment credit has been softening the wallop of the first cost. The manufacturer has used economies in production to give you a lot more car for a little more money instead of trying to give you a progressively cheaper car.

Study of price tags will demonstrate that. The lowest priced standard automobile today (before Pearl Harbor) costs more—sometimes twice as much as the lowest priced car in 1915—but it is ten times as much automobile.

The engineers might reverse this if a clamping down on credit made purchase price a real consideration to you.

Credit control isn't a far-fetched



Henry Kaiser is reported to be ready to build a postwar rearengine car which filling stations can sell for \$400

oil supply. If the time comes when we must import petroleum products, the price of gasoline will rise. If the rise is substantial, you'll holler and the engineers—hearing your clamor—will accept the challenge and will do something about it.

If you have unshakeable faith that

idea. Just suppose you and 1,000,000 other people rush out to buy a car the day peace comes. You threaten to boom and bust the automobile industry in your eagerness to be first. Wouldn't limiting credit check the flood?" And, once tried, might it not become a permanent regulatory device?

Pre-war England and the Continent show you what a car might look like if all the economic threats came to pass. There, where fuel was 50 cents or more a gallon, horse-power taxes climbing, and credit not so widely used, engineers evolved a car almost unknown in America. They call it the light car. It has everything our cars have except those things we think essential—roominess, and the power which enables you to step out from behind a truck and speed to the top of a hill without gear change.

#### Will astound the world

YOUR car of the future may follow the road of luxury and comfort as embodied in the 1942 model, or it may swing toward the European design. Peace will bring us close to the crossroad. But whichever road is selected the product offered to you will be good. Throw a challenge to the engineers and they'll meet it, as they have met the challenge of war production, by astounding the world.

There's a possibility that aircraft builders will accept challenges, too. They've been flirting with the idea of car manufacture. They'll have factories, tools and manpower, but they'll lack experience and sales organizations. These are heavy handicaps, so heavy as to warrant the prophecy that they'll stay in their own fields unless they can team up with a car or parts producer.

Aircraft builders know how to use aluminum and plastics better than the automobile people, but they have no monopoly of information. The auto maker knows he has to keep his costs down and if he can do it and still use aluminum, he'll put it in your car. When transparent plastics can be made with harder surface you'll get them in your windshields and windows. You may even get that plastic body. If you know where to look you'll find people working on all these things right now.

You can be thankful engineers aren't letting their fancies soar. The decision to make the postwar program focus on full employment assures you that you'll have a new car as early as possible, and multiplies the chances of your getting a revolutionary car later on.

Your postwar car will be a swell automobile just because it will spring from the 1942 model. It took 40 years of trial and error, heartbreak and bankruptcy, to make it what it is. And no complex mechanism, except the human body, has demonstrated the capacity to stand so much abuse at the hands of so many people and continue to "take it."

## Suggestions for making First Aid effective

# This room helps protect your pay envelope!



If you should be so unfortunate as to have a serious accident on the job, you'd have no hesitation about receiving emergency treatment in the First-aid Room.

But have you ever stopped to think that it may be just as important to have even the very small, "every day" injuries treated promptly?

The danger in small injuries lies in

their very smallness. You "laugh them off." Yet, even a little scratch or cut or blister can lead to serious infection. You can't "laugh off" blood poisoning!

Protect your health, happiness and earning power by visiting the First-aid Room for every injury, no matter how small. It is not a sign of weakness. It is a sign of intelligent foresight.

Don't let a little injury become a big one!

The message reproduced on this page may prove particularly useful to your employees and your company. Enlarged copies are available on request for employees' bulletin boards.

If you operate a smaller plant or office and do not have a First-aid

Room, Metropolitan will gladly send you a helpful booklet, "First-aid Service in Small Industrial Plants." It discusses economical methods of constructing, equipping and manning a small first-aid room. It also summarizes the principal state laws and codes governing first aid.



### When "Peace Breaks Loose"

By ART BROWN



Making pulp, a typical Norwegian industry. "Once our wheels are turning again," say Norwegians, "we'll pay our own way"

NORWAY is one nation which expects to solve its postwar economic problems without getting something for nothing.

Norway will look to America for financial and material help after the war but on a business-like basis. She believes that, given an opportunity to sell her goods and services, she will be able to buy and pay for what she needs to rebuild her national economy.

Norway's people, although the Nazis have stripped them of machinery, farm equipment, locomotives and ships, have never given up.

Norwegian soldiers and airmen trained in Scotland and Canada have fought the enemy in some of the hardest battles of the war. Norway's merchant marine also has been of great aid to the United Nations.

"The services of Norway's fleet," said a British general recently, "have been equal to an army of 1,000,000 men."

One Norwegian tanker alone has crossed the Atlantic 45 times, with and without convoy, and has delivered to England sufficient high-octane gasoline for 39 bomber raids of 500 planes each, with enough left over to provide one week's gas for 900,000 cars in the East.

Now that defeat of the Axis seems certain—and there is likelihood that Germany may be forced to shorten her lines by pulling out of the Scandi-

ONE occupied country, facing tremendous problems after the war, plans realistically for reconstruction—and asks only for help to help herself

navian Peninsula even before the war ends—Norway is not letting up in her fight. But she is looking ahead and is planning not to be caught unprepared for peace.

In Washington, Hans Bull, former commercial counsellor for the Norwegian Embassy, has had much to do with Norway's postwar planning.

"Our reconstruction program," says Mr. Bull, "is not yet complete. We are, in fact, just getting under way. Norway's full strength has been, and is being, directed toward helping defeat the Axis. But there are certain things which we know must be done to rebuild our country—and we have some ideas about how we'd like to go about it."

#### Must prevent starvation

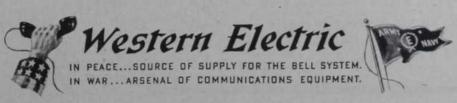
BEFORE rebuilding can begin, Mr. Bull points out, Norway must act to prevent internal disturbances, unrest, unemployment and starvation. Norway wants to restore her business, industry, agriculture, transportation and shipping as early as possible. She wants to rebuild her productive facilities, develop her natural resources, restore her standard of living and help other nations restore theirs.

"Most urgent," says Mr. Bull, "is to give our people bread and butter. We must arrange to get emergency supplies into our land the moment the enemy surrenders—or withdraws from Norway. Otherwise our people will starve, half-starve or, at least, march backward for many years, even generations.

"Huge stocks of food, clothing, medicines and fuel are flowing out of America every day to the various military fronts. It may be that, to meet our most drastic shortages, some of those supplies which happen to be on the high seas when peace



Somewhere in this global war, your boy may be watching the heavens tonight. He is reminded of the Star of Bethlehem and is resolved that he and his comrades will bring us a world ruled by the precepts of the Prince of Peace. We at home must continue to furnish them with all they need to make this dream come true.





He's counting on YOU!

To bring peace sooner — at lower cost in precious lives — he needs overwhelming superiority in weapons. Keep those weapons flowing to him by buying War Bonds regularly — till the day of final Victory

comes—and for which there will be no further military need—can be diverted to our shores for civilian use, and paid for at current international prices.

"It would be better to put some of those excess supplies to immediate use to help relieve suffering in 800,000 homes than to have them stored away in military warehouses perhaps for months or even years. Besides, it would help speed up the unloading of ships and make them more quickly available for carrying men and materials back to America or to the Far East."

Norway is about as large as New Mexico, and less than half as large as Texas. About a third of her 3,000,000 population live on farms.

In farm products, Norway was selfsufficient before the war, except for cereals (of which she imported 600,000 tons a year) and crops which can be raised only in warm climates. About 70 per cent of Norway's farm income came from livestock. Before the invasion, she had 2,000,000 head of cattle and horses, 2,000,000 sheep, and 1,000,000 goats and pigs.

Since the Nazi occupation, Norway's livestock population has been cut in half. The rate of reduction is now increasing, because of the growing shortage of food, Recently, Germany requisitioned 300,000 head of cattle.

Before the war, Norway had 4,000,-000 hens and plenty of fresh eggs. Today, both chickens and eggs are almost impossible to find. The few chickens that remain are suffering from malnutrition.

Norway will look to America for

livestock with which to restock her farms—and for, at least, 150,000 good milk cows to help restore her dairy industry.

"In the United States," says Mr.

"In the United States," says Mr. Bull, "there are hundreds of thousands of Norwegian-American farmers who have a deep interest in the homeland and who want to have a part in its rehabilitation. These farmers, working through Norwegian-American organizations, are planning to raise Jersey and Holstein heifers to be sent to the farms of their fathers, brothers, cousins and friends in Norway."

The chickens with which to reestablish Norway's poultry industry could also come from America. This industry, it is estimated, can be rebuilt to its pre-war proportions within 18 months after peace comes by importing 60,000 selected pullets and about 6,000 roosters. The resultant eggs would be hatched in incubators on a mass-production basis, and the baby chicks distributed to the farms throughout the country.

Norway has always been a maritime nation—and has no intention of going out of the shipping business. Before the war, her merchant fleet was the third largest in the world, having passed Japan's late in 1939. Norway's cargo fleet, incidentally, was created entirely through private initiative, without government subsidy.

#### Shipping losses enormous

THE war has played havoc with Norway's shipping. Losses have been enormous. Not only has a large percentage of the country's ocean-going vessels been sent to the bottom, but almost all the coastwise and fishing fleet has been confiscated or destroyed.

Norway plans to rebuild her shipyards, and to build and buy new ships after the armistice. But to obtain tonnage for immediate use, she is hoping that arrangements can be made whereby the United States-instead of tying up her surplus cargo vessels (and paying for maintenance) as was done after World War I-will turn many of these vessels over to experienced Norwegian shipowners to operate on a long-time charter basis. Besides paying a rental fee for the use of the ships, the Norwegians would agree to keep them up-and to return them if and when the United States needed them in case of war.

Norway's factories have been taken over by the Nazis and, in many cases, the machinery and equipment removed and shipped to Germany. Norway's mines have been destroyed or partially destroyed. Power plants

(Continued on page 73)



The Norwegians have always been a hard-working people, business-like—and prompt in paying their bills.

Before the war, Norway was a good world customer. Her annual imports included: 180,000 tons of wheat, 150,000 tons of corn, 135,000 tons of rye, 70,000 tons of barley, rice and miscellaneous cereals, 25,000 tons of peanut meal, 15,000 tons of soybean meal, and 40,000 tons of bran mash for poultry. Also 3,000,000 tons of coal, 3,000 tons of tobacco, 550,000 tons of petroleum products, 3,750 tons of cotton, 17,000 tons of phosphate—and many other products.

After the war, Norway will need all these things in increased quantities, and other goods besides, including food, medicines, seeds, fertilizers, cars, trucks, building materials, and almost everything else which American business men will have to sell.



#### MESTINGHOUSE ENGINEERING SERVICE

A nationwide corps of engineers offers you electrical and production experience gained through years of working with your industry.

These men can give you assistance on these vitally important activities:

Production development: engineering of equipment to meet war requirements.

Maintenance: help in making existing equipment serve better, last longer.

Rehabilitation: redesigning and rebuilding obsolete equipment for useful service.

Material substitution: adapting available replacements for critical materials.

W. E. S. is available to all industries. Put it to use today on your production problems.



## Take-Off for Tokyo

To build superbombers that can carry devastation to Tokyo, and get back—to lift them up seven or eight miles high where flak cannot reach—requires more than giant size. It involves a whole new set of power engineering problems.

These sky giants—already on the way down America's assembly aisles—demand electrical equipment far more powerful than ever used in aircraft before. And power must be distributed over much greater distances within these huge planes. With low-voltage direct current, used in most planes today, size and weight of the equipment would be excessive.

When the huge B-19 was being built for the Army, Westinghouse engineers pioneered in the development of higher voltage alternating-current system—the type used for transmitting power over lightweight lines to homes and office buildings. The installation was most successful—proving that smaller, lighter a-c equipment was practical for air-

craft, with vital savings in space and weight.

With this background of experience, plus the know-how gained in 50 years of applying a-c power for industry, our engineers were ready to tackle the problems involved in still larger planes.

New lightweight equipment had to be developed. The complicated electrical system of the modern plane had to be redesigned. Yet so swift has been the progress that the a-c equipment for tomorrow's superbombers is now ready for production... to speed the day of that "take-off for Tokyo".

This is W.E.S. at work—co-operative engineering effort to find the solution to any electrical problem. This service is yours for the asking. Westinghouse Electric & Manufacturing Company, East Pittsburgh, Pa.

Westinghouse
PLANTS IN 25 CITIES ... OFFICES EVERYWHERE

## If It Can't Be Done, They Do It

By TOM MAHONEY

HEY WERE building the first electric power plant in the Belgian Congo, 600 steaming jungle miles from anywhere, when Engineer John R. Nowell got the bad news.

The metal dowel pins for fastening down the machinery were missing. Equipment already carefully checked was checked again without result.

"Well," Nowell said, "we'll make

There was nothing to make them



Nowell found the natives wearing his missing dowel pins in their noses

out of, of course, but they made them and had the plant running on time.

On his way back to civilization, Nowell saw a group of natives wearing some peculiar nose ornaments. Closer examination showed that the bizarre jewelry was his missing dowel pins. But he didn't need them then, so he just went on his way.

Nowell is one of a small group of General Electric engineers whose versatility and ability to get things done are playing an important part in keeping America's war machine rolling. Known variously as erecting engineers, contract service men and service engineers-General Electric has not yet devised a title wide enough to cover their various accomplishments -the group numbered only 35 before the war, only 160 now. Although their contributions to victory are mostly behind the scenes, they are not so far behind that the men don't need uniforms to keep them from being shot as spies if captured. They wear, usually, the regular army officers' uniform with T.R., meaning "Technical representative," on the shoulder.

They go anywhere and do anything from installing radio stations to building wind tunnels or repairing battleship electric systems. Many are workADVENTURES of the front-line civilian technicians

who fix anything from turbines to elephant harness

ing on turbo-superchargers and airplane electric equipment.

Nowell, at the moment, is installing generators at Bonneville Dam but his colleagues are everywhere and proving themselves able to handle whatever kind of people they meet there.

When a supercilious British subaltern hesitated to cooperate because Charles B. Thomson, then elbow deep in supercharger grease, did not seem sufficiently old school tie, Thomson stopped work long enough to tell him:

"Listen, I used to be a captain in your obscene army." He was, too-Royal Air Force pilot for Lawrence of Arabia in the first World War.

Charles T. Cosser had an equally effective argument against Arabs in North Africa and the Near East. He was repairing superchargers, electric drives for gun turrets and similar things when he could get to them first. But the natives quickly dismantled any unguarded planes grounded at lonely desert or mountain points. A wing strip might roof a hut, or a bit of fuselage become an ornament. Forceful repartee failed to convince them that this was in error, but Cosser found a way.

"At small fields we slept on our guns.'

But, among themselves, the group gives cum laude for sulphuric idiom to 60-year-old Charles Edwin Wilson who can verbally blast the roof off a thatched hut in six languages.

Wilson, not to be confused with men of similar name who are vice chair-



To keep the planes from being taken apart, the men slept on their guns

man of the War Production Board and president of General Motors respectively, learned his languages the hard way. Born in Cincinnati, he left high school to go to work in a freight office. He started with General Electric in 1907 as a member of the crew which installed the first motors in the Gary steel mills. Since then he has built or helped build a hydroelectric plant in Canada, another in Brazil and a radio station in Massachusetts. He has installed mining machinery and electrified a railroad in Chile, and put



Murphy stuck his head out. "Go on," he said, "and fight somewhere else!"

electric equipment in a Norwegian zinc plant.

In Chihuahua, Mexico, when Gen. Ynes Salazar's revolutionaries moved in, he saw a soldier steal a watch belonging to his landlady's small son and stepped nimbly aside when Salazar shot the culprit.

He was still in Mexico when American troops occupied it in 1914 and left on a train that was briskly peppered with Mexican bullets.

More recently he was boss engineer of all the General Electric work in Russia during the feverish reign of the Five Year plan. Among other things he built two steel mills in Siberia, the Stalingrad power system and the Dnieper River power project.

"When the Russians built the Dnieper Dam," he says, "they left space for explosives to blow it up. This is the usual European construction. Practically every dam and bridge has

(Continued on page 102)



#### WE MUST KEEP FAITH

At Christmas, perhaps more than at any other time, we realize what it means to be an American . . . to worship as we please . . . to give our children a sound, normal life. And in the shining eyes of those children we see reflected a confidence that we will keep faith with them by preserving our Nation's freedom and democratic ideals.

To keep that faith, we must work and sacrifice, not only through the buying of bonds, but by devoting our energies to the task of winning a victorious peace.

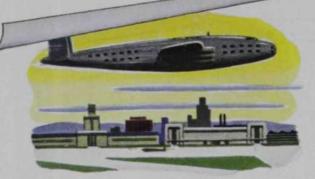
The 50,000 Union Pacific employees engaged in transportation, so vital to victory, join with all other fighters for freedom in striving toward that common goal. Whatever it costs, we must keep faith.

The Progressive

#### UNION PACIFIC RAILROAD

ROAD OF THE STREAMLINERS AND THE CHALLENGERS

# Filling Prescriptions with Steel!



1. BETTER STEELS! This country needs aircraft that fly high and far . . . and hit hard. It needs ships in great numbers, It needs tanks that can take it when the going gets tough. It needs equipment to outperform any on earth. All these things require many special steels. Such steels with needed properties are created through the use of alloys. Basic peacetime research by ELECTRO METALLURGICAL COMPANY, a Unit of UCC, has developed many important steels and the alloys to make them, such as chromium, silicon, manganese, vanadium, tungsten, calcium, and columbium . . . all vital today.



2. STAINLESS STEELS! The development of steels of high chromium content gave designers and engineers a whole family of new materials with which to work. Such steels resist rust and corrosion, and are easily kept clean. They are essential in the food industry. Possessing great strength in addition to their corrosion resistance, they save weight in trains and planes. They have brought improvements in the oil, chemical, textile, and other fields...with resultant savings to you. Low-carbon ferrochromium, an Electromet development, is essential in the large-scale production of stainless steels.



3. NEW NATIONAL RESOURCES! Tungsten and vanadium are essential to steelmakers. Long before war clouds loomed, many felt that more of this country's domestic sources of these metals should be developed. Engineering research by UNITED STATES VANADIUM CORPORATION, another UCC Unit, found efficient ways of refining low-grade ores. This enabled U. S. VANADIUM to revitalize old mines with new mills and methods, and make America less dependent on foreign sources for her increased needs of tungsten and vanadium.



4. BUILDING TOWARDS THE FUTURE! Alloy steels offer still greater promise for the future. Bridges and other structures will be made still lighter, stronger, and longer-lasting by wider use of some of the steels with which engineers are already experienced. Trains, trucks, and aircraft will be made lighter, stronger, faster, and safer. Better cars and tractors, homes and home equipment will be made through their use.

Units of UCC do not make steel. They do make ferro-alloys used to purify and give special properties to steel. They also make nonferrous alloys which, because of their exceptional resistance to wear, heat, and corrosion, are used as cutting tools, hard-facing welding rods, and for other purposes. UCC research and developments mean ever-new and improved alloys for industry . . . and ever-better products for you.

BUY UNITED STATES WAR BONDS AND STAMPS

#### UNION CARBIDE AND CARBON CORPORATION

30 East 42nd Street New York 17, N. Y.

Principal Products and Units in the United States

#### ALLOYS AND METALS

Electro Metallurgical Company Haynes Stellite Company United States Vanadium Corporation

#### CHEMICALS

Carbide and Carbon Chemicals Corporation ELECTRODES, CARBONS AND BATTERIES National Carbon Company, Inc.

#### INDUSTRIAL GASES AND CARBIDE

The Linde Air Products Company The Oxweld Bailroad Service Company The Prest-O-Lite Company, Inc.

#### PLASTICS

Bakelite Corporation
Plastics Division of Carbide and Carbon
Chemicals Corporation

## Capital Scenes ... and



## What's Behind Them

#### Spotlight from the past

MAYBE if you'd go back 25 years, said the General, you could get a pretty good slant at what is going to happen tomorrow. Black Jack Pershing was then in command of our army in France, and it is no secret that the politicians were in his hair. The world was filled with roaring words when the General Commanding thought the way to finish a fight was to finish it. George C. Marshall was as close to Pershing in a military way as any man in the army.

"He gets up to Walter Reed Hospital now and then to see his old chief," said

the General.

The significance of this is that Marshall's influence in the Combined Chiefs of Staff is very great. He is a gentle, kindly, firm man without a trace of hate in his makeup. He and Pershing learned how to soldier in the days when a Colt's sixshooter was the most important tool in what we call psychological warfare nowadays. If an enemy did not obey the rules of war he was taught better.

#### Nothing short of victory

GENERAL MARSHALL once observed—the authority is hearsay—that a good case can be made for our early Indians. They were here first, they lived in the open air, and their family life was fine.

"But when they got to yelping around our settlements and tomahawking farmers and women they had to be trained. There was only one way to train them. We had to have permanent peace."

The Combined Chiefs of Staff agree with him. In a nation as thoroughly policed as Germany the popular morale



may be as low as the bottom of a well but there is no chance of a revolt while the Army is in being. The defeat of the military power can only be achieved by the destruction of productive power at

home. It may be necessary to smash every village. That is hard on the civilians but they are a part of the army.

#### Germans caught in the door

IN HIGH QUARTERS, says the General, the feeling is that the Germans will not withdraw their garrisons in the conquered countries before the spring of 1944. Then they will come with a rush. Carrying with them everything loose, from food to doorkeys. This will be preceded, he thinks, by the return of

wounded and sick prisoners of war. This process has already started.

"No matter how much we bomb German towns only the doughboy can win the final victory. The tough G.I. on his tired feet."

On its own soil the German army can make a long delaying fight. He fears the war will be longer than most of us realize. The standard German plan is to ask an armistice when victory becomes impossible, but the Moscow conference spiked that. The promised return of war criminals to the invaded countries to stand trial for their crimes and the return of the loot changed the situation.

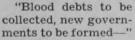
"Unless the Allied politicians turn soft."

He does not think they will. The Combined Chiefs of Staff are pretty ardent in opposition. That clause in the Moscow agreement stemmed from them.

#### While that's going on-

THE ALLIES will find themselves with a new set of problems. Every occupied country, says the General, will probably

blow up in some kind of a revolution:



If every one would be nice, he said, and let the exiled kings and queens come back to

their thrones all would be well. But it is known that a great many folks will not be nice. That pot is full of hot politics, and might boil over here. The Allies can hardly use force against their divided friends and the more food we give them, the stronger they will become in their differences. Besides which there will not be enough food.

#### 1944 will be a tough year

DISREGARDING the daily output of printed and spoken words it is accepted that 1944 will be an unpleasant year. Perhaps not as tough as we will think it is. Most of us have family histories that stretch back to acorn coffee and root-hog-or-die slogans. Americans took it then and didn't like it and they will follow the same routine in 1944.

There will be less to eat. We shall not go hungry but some of our taste buds are likely to wither. If there should be even a partial crop failure next year conditions might be really unpleasant. When peace comes we will get even less to eat because the starving peoples of Europe must be fed. It is not yet certain how much of the needed food we can get

from South America. Germany will have what amounts to an option on the Argentine product and Argentina seems at the moment to be the only south-continent country which will have plenty.

We could, of course, refuse to let Germany buy food, but it is not likely that we will. Not so many promises are being made nowadays. Bernard Baruch has made his point—that it is unwise to sign notes you can't meet. It took him a long time, but no one can say that he didn't keep at it.

#### More committees are coming

INDICATIONS are now that Congress will add a few committees to the many which now spot the landscapes like prairie dog houses. Some postwar demobbing committees and catch-the-rascal posses and so on. That ought to make it good:

"But we've got to do it," said one of the prime movers. "Somebody's got to

get order out of this mess."

Meanwhile bootlegging of good liquor is flourishing. Every one of the heads of government who are supposed to agree on things had agreed that it would be wiser to let the liquor flow a bit and so avoid some possibly mild form of the bootlegging epidemic. Then Marvin Jones changed his mind. This was after the orders had been mimeoed and were ready to send out. So we might have a committee to look into the whisky business.

#### Where do they get the sugar?

DOWN SOUTH, where folks really know how to make moonshine, The Law appears to be having an easier time

than during the prohibition era. In those days it was routine for The Law to crawl through the mud, getting bugs in its ears, in the search for stills. Nowadays The Law just flies over the



country. "Wherever we see sugar sacks drying out after they've been washed we light"—is the report—"and get our man."

No one has yet reported where the sugar comes from. It is a fact, of course, that there are mountains of sugar in the south-continent which run almost as high as the Andes. But we are still being rationed on sugar.

#### Life in a whirlpool

THE GENERAL'S nephew came to see him the other day. A young fellow, filled with the speed of the West, inclined to think of the General as a diplodocus, and as reverent of our big shots as he is of Indian medicine men:

"I like Johnny Two Dollar better, maybe. He gives you the full rites and ceremonies for your two bucks, but at least he winks at his friends when he goes into his dance."

He says the General has been swimming around and around in the Washington whirlpool until he has forgotten



## "Getting Down to Brass Tacks"

All of our lives we've heard the expression, "getting down to brass tacks". To Milady of another day it meant that the storekeeper"got down" to a row of brass tacks and painstakingly, accurately measured the yards of "finery". Today, we"get down to brass tacks, for the unquestionable truth.

When a treacherous enemy struck at America, the nation demanded two absolute essentials - adequate mass transportation and power to run the furnaces of war.

Getting down to the brass tacks of transportation, meant the railroads. Military authorities and industry did not have to wait for them to get ready. They were ready.

Getting down to the brass tacks of power, meant bituminous coal - this nation's greatest source of power. Since Pearl Harbor, coal has furnished more power to run more industries that have produced more and better weapons of war than all the enemy nations.

Railroad transportation is essential transportation. Bituminous coal is essential power. Both are vital to Victory. And when Victory is won, and America gets down to the brass tacks of peace, both will be contributing their full share to the continued development of the nation.

The Norfolk and Western Railway, one of the country's great coal carriers, is proud to be a part of this great combination that is working for Victory and a better world for all mankind.

## Norfolkand Western Railway

the folks on the banks. Slightly dizzy, in fact.

#### This is not isolationism

"I'M TELLING you," he said to the General, "the folks I know out west think you people in Washington are



growing to tassle instead of kernel. What they want is the end of this war and a reasonable assurance of future peace and to get the boys back home again. They think this can be done

without putting American provost guards in European post offices."

"Who do you know out west?"

"I've gone to two colleges and worked in six states and when I go back to camp after this furlough I'll be talking to a lot of guys that get letters from home. We're pretty dam unreconstructed Americans out west, Uncle."

"Say 'Sir' when you speak to me. Dammit, you're just a boy.

#### He likes our little shots

THE GENERAL'S nephew approved of some of the underlings in government. They are not trying to hatch all the eggs this world has laid. Some of the eggs have been spoiled for 1,000 years, he says, and no loving hen can spread wide enough to warm them. Over in the Department of Commerce he found some statisticians who suited him:

"They're figuring on the business angle. They say that if the American business man does not get busy he'll be skinned like a rabbit."

They think he can get the protection if he makes enough fuss. Already the departments of State and Commerce are considering the return of the commercial attachés to world capitals. They were called home some years ago and they have been missed. Both Cordell Hull and Jesse Jones are looking into this matter, although both are up to their ears in war business.

#### 1948 is the money year

SOME of these statisticians say the world will need so many things when fighting stops that our own production



may touch \$175,000,-000,000 at the 1942 price level. Plenty of good business, says the General's nephew, private first class, 26 years old, likely to be a sergeant most any time, and no more of

an internationalist than Winston Churchill, is the best assurance of future peace.

"These statisticians do not forecast \$175,000,000,000 business in 1948. They are cautious guys. But they say it is conceivable. They say we make so many things better than any other country that the European countries on both sides of the fence and the South American countries will rush here to buy."

These countries have gold and dollar

balances over here with which to do the buying. Our export business alone in 1948 might touch \$10,000,000,000. The statisticians say government will be obliged to continue watch-and-ward over business for a time. But they think that the quicker American business men get out from under the government hand the better for all of us.

#### Get out of the gravy bowl

THESE REALISTS told the youngster that the business men who get to Washington nowadays think mostly of gov-

ernment gravy. They are too busy to look far ahead:

"One commercial lawyer said he has stopped trying to sell worries to his clients. They won't buy."

Occasionally a business man is really trying to put his

house in order. Not as many as you would think. Most of this thinking is being done by the small man, who has been hit so hard in the past two years.

#### Coal business is a sample

ONE OF THESE men talked off the record to a group of coal operators. The future as they saw it was filled with miseries and John L. Lewis. "You'll have to snap out of it," he told them. "You have been digging rocks out of the ground and loading them on flat cars. There's more than that in your business."

He suggested that plants might be erected at pit mouths for the processing of coal. Gas could be piped out and coke shipped and the smoke nuisance in nearby cities abated. The residue could be worked up into plastics out of which could be made stockings and dresses and furniture and pre-fab houses and a thousand other things. Most of the operators yawned. One came to him:

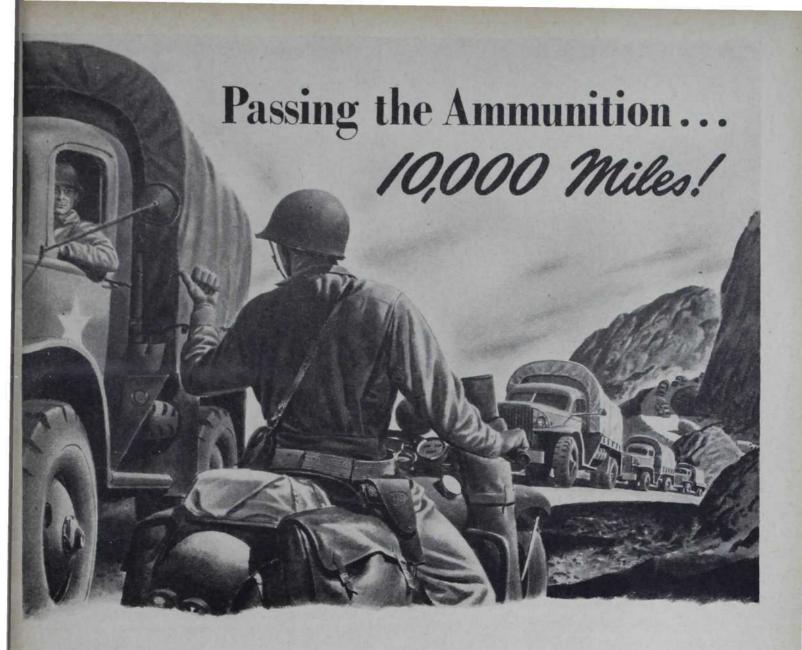
"I'm going to look into this. A few million dollars would make a start.'

#### Sure sign of victory

SOME of the small conquered and occupied countries want to be accepted on even terms with the Big Four, said the General's nephew. They say if they are not taken in they will scream like pan-

"It's all right," said the General. "Just as it should be. If these differences are brought into the open now they will be settled now. If they become a postwar hangover they never will be settled, they will always be an irritant, and maybe the enemy can find in them a crack through which he can creep."

Also these present differences are the surest guarantee of victory. A man about to be hanged, he said, does not worry about the debt he owes his tailor.





#### **Norden Bombsights**

Years of experience in precision manufacturing enabled Burroughs to render an extremely important service to the nation by producing and delivering the famous Norden bombsight — one of the most important and precise instruments used in modern warfare.

New figuring and accounting machines are also produced by Burroughs for the Army, Navy, U. S. Government and other enterprises whose needs are approved by the War Production Board.

\* BUY MORE WAR BONDS \*

In this war of distance and movement, ammunition must be transported far and fast.

In a day's combat, a single anti-aircraft gun may use more than a ton of ammunition; an infantry division on a global fighting front may expend 300 tons of ammunition.

What kind of ammunition? How much ammunition? Where does it go? When must it get there? The answers to these questions must be written in figures.

Figures that flow through arsenals, war production plants, transportation and supply lines, and government offices.

Figures that must be accurate and obtained quickly, because guesswork and errors might have to be paid for with lives.

That thousands of the machines providing these figures are Burroughs machines is only logical, for Burroughs has long predominated wherever fast, accurate figuring is required.

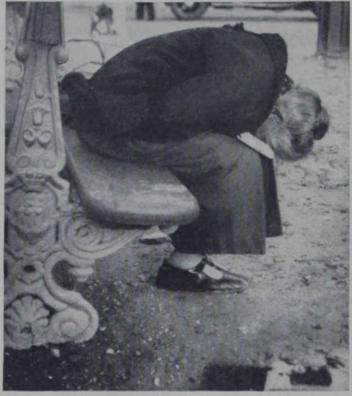
BURROUGHS ADDING MACHINE COMPANY, DETROIT, MICH.

## Burroughs

FIGURING, ACCOUNTING AND STATISTICAL MACHINES . NATIONWIDE MAINTENANCE SERVICE . BUSINESS MACHINE SUPPLIES

## Investing in Foreign Plants

By MARCUS NADLER



BLACK STA

Business offers the destitute of stricken countries more than a dole can promise

T IS GENERALLY ASSUMED that the United States will play an important role in the postwar economic reconstruction of the world and in the development of the resources of retarded areas.

Some believe that the Government will continue to spend huge sums abroad to enable the various nations to regain their economic equilibrium. This is not likely.

At the end of the war the public debt of the United States may range between \$250,000,000,000 and \$300,000,000,000. Taxes will be burdensome and there will be general clamor for tax alleviation. Hence, although the Government will undoubtedly provide relief for the destitute in the immediate postwar period, it is unlikely that it will be in a position to spend large sums to restore national economies abroad.

Neither are we likely to assist other nations through the floatation of foreign loans as was done at the end of the last war. In the first place, America's experience with foreign bonds has not, on the whole, been satisfactory. Furthermore, it is doubtful whether many countries would wish to float loans in this country because of the difficulties that are bound to arise in connection with servicing them.

It is probably just as well that these two avenues of assistance should remain closed. No nation's standard of living is raised by either handouts or charity.

Fortunately this does not mean that the United States cannot aid in the economic restoration of the world. A

AMERICA can best help in the economic rebuilding of the world, says this business adviser, not by making foreign loans but by establishing factories abroad

third and most effective means of assistance remains a method which will lead not only to the better use of raw materials throughout the world, but also to an increased efficiency of labor and to an increase in the standard of living.

That method is direct investment—the establishment of factories abroad by American corporations either alone or in cooperation with local capital.

The postwar period in the United States will be propitious for such a development. In the first place, this country will have excess productive capacity. In many instances, the plants will still be in good condition but outmoded by new inventions. Unprofitable to operate in this country where labor costs are high, they can still be used efficiently in others where wage scales are lower. American corporations will, therefore, be eager to transfer at least some of these older plants to countries where they may be used profitably.

Furthermore, postwar taxation is bound to remain high in this country, although lower than at present. In many parts of the world, however, particularly in the economically retarded countries, corporate as well as personal income taxes are bound to be lower. This factor, too, will induce American corporations to establish branch factories abroad, as will the fact that young Americans scattered all over the world will be far more familiar with foreign customs and business methods than Americans have ever been.

Foreign nations will try to attract American direct investments for several reasons:

First, because such investments tend to increase the productive capacity of a country, lead to more intensive utilization of raw materials, increase the efficiency of labor, and raise the standard of living.

Second, direct investments tend to minimize and materially reduce the transfer problem.

When a nation obtains a loan abroad stated in the currency of the creditor country, it is immediately under the obligation to remit foreign exchange for the purpose of meeting the debt service. If it does not, the country is in default and this, in turn, has an adverse effect on its credit standing.

On the other hand, when an American concern establishes a branch factory abroad, it does not expect it to reach the break-even point immediately. It takes some time before this is attained. Even after the foreign branch or subsidiary begins to show profits, these are not immediately remitted to the United States but are



Copyright 1943, The Pullman Company

## "Why does Daddy walk in his sleep?"

MOTHER: Not walk, Bobby. I said ride. Daddy's riding in his sleep tonight so that he can wake up somewhere else tomorrow morning.

BOBBY: Riding what? A horse? I wouldn't ride an old horse with my eyes shut! And why did Daddy go away?

MOTHER: Whoa-a, there. One question at a time. Daddy's riding a Pullman. He'd look pretty funny on a horse, with his briefcase flapping as he bounced around. And he's away because there's a war. Daddy has to go places on business to help win it.

BOBBY: Why? I thought soldiers—like Uncle Dan—were to win the war.

MOTHER: Men like Daddy, too, who help to make things that our soldiers need to fight with.

BOBBY: Are there soldiers with Daddy tonight? Riding on that Pull-a-man? MOTHER: Lots of them, probably. And lots more on what they call "troop trains", with Pullmans specially for soldiers.

BOBBY: And do those soldiers walk-I mean ride-in their sleep? Like Daddy does?

MOTHER: Yes, dear. That's what Pullmans are for. So people can sleep while they go from one place to another instead of sitting up all night and getting there tired out.

BOBBY: Gee, Mom, I'd like to ride in my sleep! Can't we go on a Pull-a-man?

MOTHER: We will go, son. Lots of times and lots of places. But not 'til the war is over. Right now, our place is here at home. Even over the holidays—instead of going to Grandma's, as we'd like to. We'll leave those Pullman beds for people like Daddy—who have to travel—and for men in uniform like Uncle Dan—who might get a holiday furlough!

#### Note to wartime travelers:

Trains are crowded and Pullman space sometimes hard to get, but when you must travel, try to go Pullman by all means. Then you'll have a place to sit and a place to sleep that are all yours straight through to your destination. And you'll be leaving coach space for necessary travelers who can't afford the privacy and comfort you'll enjoy.

\* BACK THE ATTACK - WITH WAR BONDS \*

#### PULLMAN

• For 80 years, the greatest name in passenger transportation—your assurance of comfort and safety as you go and certainty that you'll get there

used primarily to improve and enlarge plant facilities.

Third, even where the profits of a foreign branch factory or a foreign subsidiary cannot be remitted because of exchange difficulties, it does not lead to default and hence has no effect on the credit standing of the respective country.

Direct investments may assume various forms. The establishment of branch factories owned and operated entirely by a corporation in the United States: This usually takes place where the branch is relatively small or where there is not sufficient capital available in the country to participate in the enterprise. Often it also takes the form of the development of certain raw materials, in which case the government of the respective country receives a royalty from the production of the commodity.

The second method is for American corporations to acquire a stock interest in an already existing corporation. As a rule this takes place in countries which are already industrially developed but where the local capital market is weak. American corporations will undoubtedly follow this method in Europe. There the capital available for reconstruction and modernization of plant and equipment will be small indeed. Many of the existing corporations, therefore, will try to attract capital through the sale of equities to American corporations, which in turn will, if necessary, raise the capital in this country.

The third method is to form a corporation owned partly by Americans and partly by local investors. The foreign capital is used for the purpose of acquiring machinery and equipment and all other products that have to be imported. Local capital is used for the acquisition of sites and for that portion of the working capital which must be met in local currency. The system of joint ownership is by far preferable to any other method of direct investment. It removes agitation against foreign enterprise as well as the stigma of foreign imperialism; it leads to a much better understanding between the business enterprise, the government, and the nationals of the foreign country; it alleviates materially any transfer problem that may arise, since only a part of the net profits are remitted to foreign investors.

This system of joint enterprise could be used effectively in Latin America as well as in certain parts of the Far East, notably China.

#### What investors want

HOWEVER, before American corporations invest considerable sums abroad, they will insist on certain prerequisites:

Most important of these is political stability nationally as well as internationally. If a period of great political uncertainty follows the war, capital obviously will be reluctant to venture abroad. The same will also be the case if internal political conditions in certain foreign countries are unfavorable.

Legal assurance that no discrimina-

tion will be made against foreign investments is also absolutely essential. Unfortunately in certain Latin American countries trends of discrimination against foreign investments have become apparent in recent years. It is obvious that no American corporation will invest in a country where discriminatory laws seem likely.

A third requisite is a stable currency which will enable the American corporation to remit whatever profits are available for distribution to the stockholders in United States currency. There is reason to believe that political stability will prevail throughout the world at the end of the present hostilities and that the United States will take measures to prevent a recurrence of what happened during the period between the two wars. It is also reasonable to assume that most nations will be so eager to return to a more normal life that a prolonged period of internal tranquillity will follow this war. Since most foreign nations will be dependent on foreign capital to a large extent for their economic development, one may also expect that the necessary laws will be passed which will insure American investments against discrimi-

If these conditions materialize, therefore, one may expect a considerable exodus of American capital in the form of direct investments. It would be highly desirable if this exodus could be channeled along sound economic lines to prevent duplication of plant and equipment, which might have adverse effects on the country receiving the foreign capital as well as on the corporations placing their funds abroad. It would also be desirable that American direct investments in foreign countries be based on available raw materials as well as on availability of labor.

If postwar restoration takes this form, the end of the war will offer to the United States economic possibilities similar to those offered to Great Britain at the end of the Napoleonic Wars.

The British utilized their opportunities to spread their investments all over the globe. They assisted in building railroads on the European continent as well as in the Western Hemisphere. They played an important role in developing natural resources in overseas countries and branches and subsidiaries of their financial institutions encircled the globe. These direct investments not only tended to raise the standard of living of the accepted countries, but the income derived from these assets constituted an important factor in the British balance of payments.

Direct investments if properly handled will also exercise a powerful influence on business activity in this country because, contrary to the general belief, the industrialization of a nation leads to an increase in its foreign trade.

#### Solving a War Emergency Problem

ELECTRIC Vacuum Cleaner Co., Inc., of Cleveland, Ohio, one of the largest vacuum cleaner manufacturers in America, was producing and selling a large volume of home and industrial vacuum cleaners through its 16 branches and national dealer organization when all further production was banned to save metals vital to the war.

This production stoppage not only jeopardized the possibility of continued operation of branch houses, but it would mean the loss of their trained personnel, and deprive hundreds of employees of their jobs.

"But that was not all," declared J. B. Buckley, the firm's comptroller. "Of even greater moment, we might lose our retail dealer organization, obviously, a tremendous loss. Besides, we owed our millions of customers—housewives and industrial users all over the country—a service debt necessary to keep these labor-saving devices in safe and economical operation. Moreover, when the war ends, we will need all our trained salesmen, skilled workers and distributing agencies to get back into civilian production.

But until that day arrives, the company realized that the war effort would be helped immeasurably by conserving all of the labor-saving devices in the homes of American workers and on the farms. Out of these real needs, the company developed a pre-planned repair department with each local branch manager made responsible for his territory.

The plan worked—far beyond expectations. Instead of being only self-sustaining as originally expected, it is earning profits and is saving many a dealer from failure.

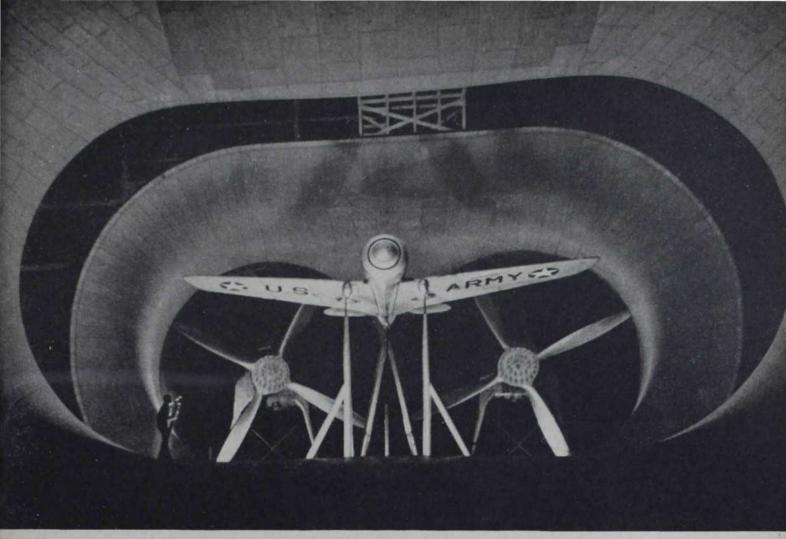
The outstanding factor here is the complete lack of selfish motives. The company left the door wide open, even invited competitive dealers to join in the plan.

So well did it work with the company's own branches and shop-equipped dealers that a new and more far reaching plan was launched to enable hardware, furniture and department store dealers, as well as public utility companies to use their repair service, providing that they had no equipment or facilities to operate a repair shop of their own.

Under the plan, the store dealer acts only as agent for the repairs. The Electric Vacuum Cleaner people make the necessary repairs, allow the dealer a fair handling profit. In each case, the dealer handles the delivery or transportation of the unit to and from the repair shop.

The public is offered, through newspaper advertisements, a completely overhauled cleaner for a low price. The need for this service is shown from the fact that several retail merchants had calls for 100 or more units to be rehabilitated, while in one case there has been as many as 600 orders. Finally it proves that both industry and service operators are doing a great job on the home front to make it hot for the Axis.

—A. E. HOLDEN



BASIC AERONAUTICAL RESEARCH in the laboratories of the National Advisory Committee for Aeronautics at Langley Field, Va., uses Ciné-Kodak to study airfoils and air currents—through "smokeflow movies" made in wind tunnels—

and fuel combustion in aircraft engine cylinders. These movies, showing what the eye can't see, lead to design refinements—in aircraft and engines—which "pay out" when the guns begin to chatter or the bombs find their mark.

## KEY TO SECRET WEAPONS ... a movie camera\_



## Ciné-Kodalz\_which stretches split-seconds into minutes

WORKING BLIND" . . . trying to improve a plane or gun or projectile which moves so fast you can't see it . . . is necessarily a slow, fumbling business. In time of war, not good enough . . .

Fortunately, back in 1932, Kodak made available to our best engineering and scientific brains a new kind of eye . . . which could see what goes on at blinding speed in our mechanized, electrified world.

This eye was a movie camera for taking thousands of pictures a second-which could then be shown at normal movie speed of 16 pictures a second. It "mag-nified time." In the resulting movies, action which had actually occurred in a splitsecond was stretched into minutes.

Research scientists used these cameras to help develop faster airplanes, more powerful motors. And, with the approach of war, to find out why a machine gun "jammed"-and fix it; to "take the bugs out" of the recoil mechanisms of bigger guns; to pack a more effective "train of





NOT "OLD FAITHFUL," but "stills" enlarged from movies made at 2500 pictures a second, showing the comparative efficiency of two designs in fuel injection jets. The superior distribution of fuel from the jet at the rightinvisible without the movies-is the type of small improvement which helps our men write America's fighting record in the air.

fire" into a contact bomb . . . examples are numbered in hundreds.

Your 16-mm. home movie Ciné-Kodak was the "jumping-off place" in designing Eastman's super-speed movie camera, which takes 3,000 pictures a second-the film streaking through at over 50 miles an hour. The "shutter" is a spinning "prism"—speed 90,000 r.p.m.

At this incredible speed, this Ciné-Kodak makes good movies-with standard 16mm, films, Kodachrome included, and has become a most effective military tool . . . Eastman Kodak Co., Rochester, N. Y.

REMEMBER MAJOR HENDERSON? . . . how Major Lofton Henderson, USMC, flew his crippled bomber right down onto the Jap carrier's deck? And how his name was given to that bomb-scarred field on Guadalcanal? It is a stern example for us at home. BUY MCRE WAR BONDS.

Serving human progress through Photography



Foreman Myron Burt uses sign language to instruct Willys-Overland's silent workers

## **Building Lives and Weapons**

By VERA LUNDQUIST

"JAMES E. TRAINER, Vice President in charge of production, Firestone Tire & Rubber Company, calling F. D. Rea, Director of Goodwill Industries—Go ahead, Mr. Trainer!"

"Hello, Mr. Rea! Trainer talking. I've just been watching the operations along the barrage balloon production lines today and I believe we've got a job there that some of your handicapped men can do. Will you come over and look?"

Would Mr. Rea come over and look? For months handicapped persons in the Akron area had been calling Mr. Rea for some kind of work—any work—to help in the war effort. Here was a chance to do something!

Mr. Rea saw possibilities for the blind. He sent several such persons to Firestone for a production test. Nine of them are now working—two men and seven women. The operations include fraying and combing the ends of rope, patching in barrage balloons

THE ABILITY which handicapped workers are proving in war work points the way to job opportunities for disabled veterans

and reinforced loops for rigging. These workers learned quickly. Their efficiency produced a high degree of workmanship. Seeing-eye dogs help them to and from the plant.

Michael Supa, totally blind since the age of two, has recently been elected to the executive staff of International Business Machines.

"For several years," Mr. Supa says, "I have been studying ways by which others like myself might become independent. I am convinced that industry holds the key to this problem. I wanted to prove this theory and a

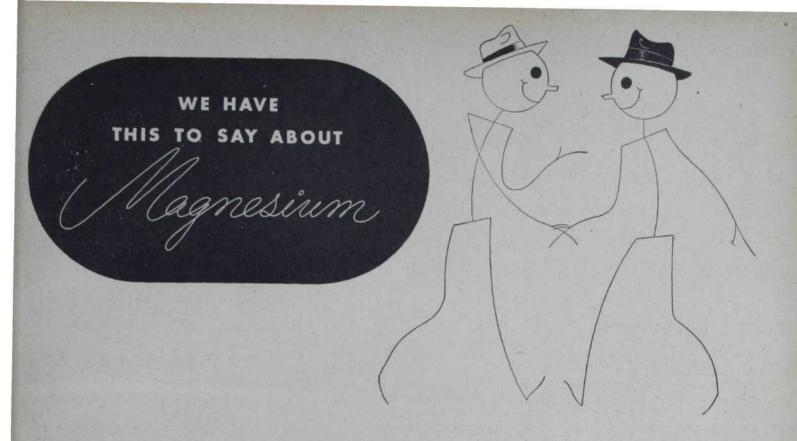
friend introduced me to Thomas J. Watson, President of International Business Machines, who has been interested in helping the physically handicapped for many years."

Mr. Supa, who will coordinate for IBM a broad program for developing jobs

for the blind, crippled and other handicapped workers, went into the factory and worked at various jobs to determine which ones the blind could do successfully. On some machines minor changes were made to adapt them for blind workers. He now assists in hiring and training blind persons.

Here's a worker in a machine tool plant—one hand crippled.

Sam tells us, "After the accident which blew off part of my hand last year I didn't know what would happen when the Workmen's Compensa-



If the picture looks as if we were shaking hands with ourself—well, we are.

We do not make the metal magnesium but we are the largest fabricator of magnesium. We make the castings, tubing, sheet and other commercial forms needed by industry. We know magnesium, as few companies do. We believe in its future, fervently.

Magnesium and aluminum have much in common. They are both flightweight. Each is the other's best friend as an alloy. Each has become much better known to a large number of people who have recently learned to design and fabricate it. On many jobs they could be interchangeable, if lightness and strength were all that mattered.

But they also have major differences. One, specifically, is their economics.

Even the most similar materials usually have important cost dissimilarities. This is a fundamental to study thoroughly when imagineering postwar job-making products.

At this moment, ingot magnesium is actually cheaper than ingot aluminum, per cubic inch. This fact has caused much loose thinking about the use of

magnesium. Actually, most fabricating costs on magnesium are so much higher that the commercial forms used by industry will in general continue to be considerably higher in price per part.

With both aluminum and magnesium totally drafted, they are now specified with regard chiefly to their relative weight. Between the two, the peacetime choice, however, will usually be determined by the question—how much can we afford to pay to save a pound of weight?

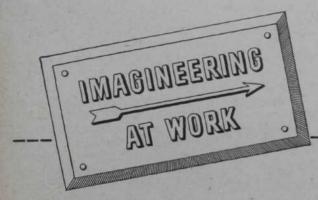
There is always a right answer to that question—as between aluminum and magnesium.

Costs must be as clear—and accurate—in the minds of Imagineers as any physical, chemical or electric characteristic, if Imagineering is really to pay off in terms of sustained postwar employment.

Because—if a lot of people are to be employed making a lot of new things—these things must be priced within the buying power of a lot of customers.

War-born economies of both aluminum and magnesium do promise lower costs for making things light.

ALUMINUM COMPANY OF AMERICA, 2125 Gulf Building, Pittsburgh, Pennsylvania,



## Alcoa Aluminum



tion expired. But here I am back at work with my old boss after being off only five months—I was told I could still help in the war effort if I'd take a training course. And I know my work is standing up with the rest of the fellows'—boss told me so. Now I've got a part in war work!"

#### Training takes longer

IN the race to outproduce the enemy and at the same time build an army of 11,000,000 men, more and more firms are turning to the physically handicapped as a source of mannover.

In Massachusetts alone 551 persons with physical handicaps which were once regarded as disqualifying them for employment were placed in jobs in one month and that figure is running higher now.

Lockheed Aircraft Corporation, which formerly employed only ablebodied men, now has 15 totally blind persons and has established special services to handle relations with this group. They report that hiring and training blind workers takes longer than for normal workers but, once they are familiar with the job, their accuracy is greater, particularly where finger dexterity and sensitiveness are required.

At Consolidated Vultee Aircraft Corporation, more than 700 physically limited persons have taken their places on the assembly lines. Their immediate supervisors report enthusiastically on the quality of their work, pointing out that their attendance record is superior to that of normal workers.

Vega Aircraft Corporation has "hundreds of physically handicapped men and women employed right now."

For many firms, the employment of physically handicapped workers is not new.

As far back as 1929, Western Electric Company conducted tests to determine the employability of such persons. For a year the company kept careful statistical records comparing the production, attendance and liability to accident of 652 physically handicapped persons

with that of 652 able-bodied persons. On the showing made, Western Electric now hires physically handicapped workers when possible.

Ford Motor Company has long employed handicapped workers. Among their 12,000 so-called disabled, almost 50 different labor impairment classifications are represented.

The Salt Lake City branch of Eitel-

McCullough Radio Tube plant is employing a number of blind persons. Every job is adapted to the individual and, in some cases, special equipment and apparatus has been built.

The Solar Manufacturing Company of Bayonne, N. J., recently praised their blind workers with a full-page advertisement, "Hands That See," telling how blind workers were sorting mica sheets more quickly and accurately than the job had ever been done.

Willys-Overland Motors, Inc., has a crew of "silent soldiers"—deaf mutes—working on jeeps, Instructions to these men are given in the sign language.

Employment of "silents," as they prefer to be called, is no innovation to the Goodyear Aircraft Corporation in Akron, Ohio. The parent company, the Goodyear Tire and Rubber Company, began the practice in World War I when more than 1,000 of them were on the pay roll. Many have remained with the company to earn their 25-year pins. The more than 350 "silents" now on the aircraft production lines are listed among the plant's most assiduous workers.

Goodyear has no special aptitude tests for "silent" applicants for work.



"I can't wait on you right now. I'm up to my neck in government forms"

They are hired and assigned in the usual manner except that they are interviewed through an interpreter in the Labor Department. Management finds that they can handle any job on the assembly lines or in parts manufacturing if given the proper training.

"These people," says W. C. Wright, Manager of Supervisional Training,

"seem to be more alert; they take instructions more readily and follow these instructions more closely than the average employee."

Remington Arms Company, Inc., reports that they have fitted a number of handicapped persons into their operations. The most striking case is that of a totally blind youth who is employed as an inspector. His duties involve a tactual gauge in which he slides a cartridge case—determining by its passage through the slot whether or not it is the right size. His progress has been rapid and he mastered the work more quickly than many persons with normal sight.

Remington Rand has numerous employees with only one eye and a great many with crippled legs or hands.

#### Postwar pointer

ONE of the company's eight plants has approximately 150 persons with the sight of but one eye and nearly 100 crippled in some degree. The company relies upon its own medical department to recommend each applicant for work he is qualified to do.

Weston Electrical Instrument Corporation has found the handicapped workers determined to prove their

ability and to make a place for themselves—they do not expect to become postwar casualties.

Weston has employees with one arm; with paralysis of an arm, acute arthritis of the hands or legs; victims of infantile paralysis who can walk only by means of crutches.

The experience in employing and training handicapped persons is going to help in postwar adjustments. Of the 12,000,000 Allied soldiers wounded in World War I, 234,300 were Americans. Comparing the size of that war with this one, gives an idea of the size of the employment and rehabilitation job industry will face with peace.

After World War I, France and Germany passed laws making it mandatory for employers to recruit ten per cent of their employees from among the wounded. In England, although no laws were passed, employers were asked to hire one disabled

veteran for every 20 employees.

Our boys are fighting for democratic principles. And in a democracy every willing person should have an opportunity to work. Business foresight and planning now will forestall a lot of discouragement and heartache among these wounded men by making it possible for them to become useful members of society.



The machine that knows the ports where sailors' sweethearts are

The Navy never forgets.

Most sailors want part of their pay sent each month to wife or mother. The Navy uses Addressograph\* machines to make sure the money goes out promptly — and correctly. The name and address of the one to get the money is handled on Addressograph machines like the ones you use in your office and factory.

Every month these machines take a supply of blank checks, write the checks with amount, name and address always exact. This is only one of many ways the Navy and Army use Addressograph.

Broaden your picture of Addressograph to include check writing, tool crib control in factories, production control systems, payroll writing, record keeping of many kinds, and hundreds of other office and factory methods that save time, assure accuracy, release needed manpower, and save money. Addressograph (and Multigraph\* and Multilith\* machines, made by the same company) are the modern way to simplify and save by systems and methods. Trained men near you can show you how to get more value from these machines you already have. Addressograph-Multigraph Corporation-Cleveland and all principal cities of the world. \*T. M. Reg. U. S. Pat. Off.

Addressograph

SIMPLIFIED BUSINESS METHODS

## How to Stop Inflation

By FRED R. FAIRCHILD

Professor of Political Economics, Yale University

NFLATION is an increase in consumers' purchasing power in relation to the quantity of consumers' goods, manifesting itself in a rise in the general price level. The causes of inflation are those forces that tend either to increase consumers' purchasing power or decrease the quantity of consumers' goods.

In time of war, both sets of forces are usually intensified. The present is no exception. The national income has grown from an estimated \$76,000,000,000 in 1940 to \$92,000,000,000 in 1941, \$115,000,000,000 in 1942, and \$142,000,000,000 in 1943. On the other hand the diversion of national industry to the production of war material has reduced the production of consumers' goods.

The discrepancy between consumer spending power and available consumers' goods is sometimes called the "inflationary gap," and there have been numerous estimates of its magnitude.

Using 1943 figures as a basis, it is possible to develop estimates of an inflationary gap ranging from \$15,000,000,000 or \$20,000,000,000 downward to zero, depending on the liberality or conservatism with which the data are estimated.

Furthermore, the possibilities of inflation are not limited to the amount of any inflationary gap in national income. Already in the hands of indi-

THERE IS NO panacea for inflation. We are bound to have some now and after the war

viduals there are liquid assets—bank deposits, U. S. Savings Bonds and money in circulation—amounting to upwards of \$60,000,000,000. The Commerce Department has estimated an increase of some \$50,000,000,000 in these and similar assets in 1943. Life insurance and annuity policies have a cash value of some \$25,000,000,000. Bonds and other securities in the hands of individuals are valued at

huge amounts. These assets—plus many others—could be cashed or hypothecated with credit institutions for incalculable sums. The inflation potential thus is not confined to the gap of a few billions in annual income —whatever that sum may be—but is also the many billions of realizable assets already accumulated in the hands of individuals.

Any sound attack upon inflation must obviously be directed against the basic causes of inflation. We must take steps either to reduce the spending money of consumers or to increase the supply of available goods.

At a time when all our efforts should be directed to shifting the nation's industry over to war production, it is clear that not much can be expected in the way of increasing the stocks of goods available to civilians. Yet even here I think we are not doing our best. Many of our governmental policies are seriously restrictive upon production. We should make a careful study of these policies to the end that we may impose the least possible restraint upon business activity and the production of consumers' goods.

The principal attack upon inflation must be directed toward reducing consumers' spending power. Various methods for doing this are available. Let us first consider taxation.

There is no doubt that taxation is a potent means of taking money from the people and so reducing their purchasing power, but checking inflation is not the only purpose—not even the chief purpose—of taxation in time of war. The chief purpose is to obtain money to pay the costs of war.

If we are to plan with any practical conception of the taxation target at which we should aim, we shall have to start on some basis of principle. I suggest that this is it:

First, determine the amount of necessary expenditures for all essential governmental needs.

Second, raise all the money that can possibly be raised by taxation, without doing damage to the national economy.

Third, borrow the balance.

Here we have, I think, principles which provide a workable guide in the formulation of a war tax program. Taxation is not the only method of combating inflation. The consumers' spending money may also be reduced by government borrowing. While all borrowing brings in money for financing war costs, it is only the borrowing from individuals and institutions other than the commercial banks that tends to curb inflation. Borrowing

WEHAVE not sincerely attacked inflation until we have put a stop to all avoidable government policies which are inflatiouary

from the commercial banks not only does not check inflation; it is positively inflationary.

I come now to what I think is perhaps the most important phase of the inflation problem. If we are really sincere in our denunciation of inflation, here are some of the things to which we must certainly give sober consideration.

First, the expenditures of government. Expenditures of the United States Government in the fiscal year 1943 were \$78,000,000,000. The estimate for 1944 is \$104,000,000,000. Here is the source of much of our consumers' increased spending power. Government expenditure is one of our principal inflationary forces. Most of it is, of course, unavoidable. But the elimination of unnecessary government expenditure offers the most direct and effective of all possible attacks upon inflation.

I believe it is safe to say that something like \$5,000,000,000 could be subtracted from the annual expenditures of the federal Government without impairing any essential service—indeed possibly to the improvement of the public service. It seems somewhat out of proportion to talk about adding \$7,000,000,000 or \$10,000,000,000 to the present burden of the taxpayers before taking all possible measures to eliminate the direct stimulus to inflation that comes from \$5,000,000,000

## PREWAR PRICES HERE

WE Americans are paying more today for most things we buy.

But there is one outstanding exception—railroad freight rates. They are the same or lower than they were before the war.

In fact, taken all together, freight is being moved at an average charge of less than a cent for moving a ton one mile. This is less than the railroads have received at any other time during the last quarter of a century.

Meanwhile, the cost of things railroads use has gone up. Materials are up—wages are up—taxes have rocketed.

> Because railroads are carrying the heaviest load ever shouldered by

any transportation system, they are taking in more revenue than ever before.

But if you hear it said that railroads are piling up a lot of money, just bear in mind that railroad expenses and taxes, together, are running at record level, and that after it is all over there will be a tremendous need for rebuilding and restoring the service life now being "run out" of railroad plant and equipment as never before.

And remember, too, that the railroad freight station is one place where prices are still prewar.

DECEMBER 10 "CLOSING DATE" FOR CHRISTMAS PACKAGES. This year—when war traffic has first call on all shipping services—it is more important than ever to send your Christmas packages early.

Pack them adequately, wrap and tie them securely, address them right and get them started (to points in the United States and Canada) by December 10.

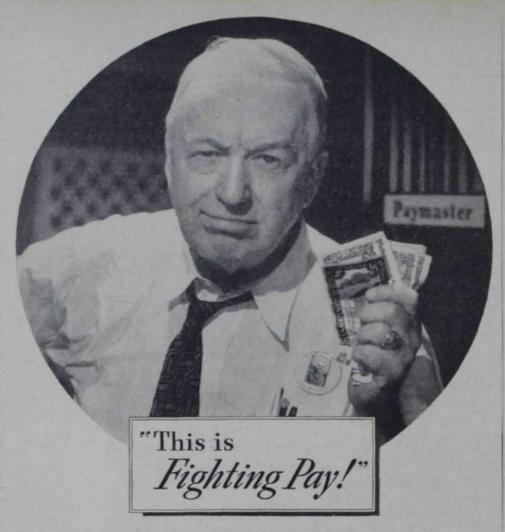
BACK THE ATTACK WITH WAR BONDS

AMERICAN



RAILROADS

ALL UNITED FOR VICTORY



Listen you! I'm putting this fist-full of money where it'll do the most good... for my boy and yours...and for millions like them out there somewhere trying to keep this a fit country to live and work in!

Sure, even during a war, a man and his wife, and his kids hanker for things they've always wanted...and yes, many of us could afford them ... but, until I hear my boy's footsteps on the front porch again, both my job and my pay are in the fight—because it's my fight!

Our one big chance right now, to help win this fight, is to play ball with the Government in its efforts to hold down prices. That means: Pay Taxes

...all we're asked! We've got to pay for this war somehow—and

that's the quickest, cheapest way.

Buy War Bonds! . . . all we can. These bonds keep our money safe, with interest, while it's in there pitching.

And we can cooperate with the Government in other ways too! Never bid up a price! . . . Never buy rationed goods without stamps! . . . Buy nothing that you don't really need.

Folks, if we'll all stick to that simple loyalty code, we'll kill two birds with one stone—we'll lick Hitler and Hirohito—and we'll lick inflation.

Result: A saved and stabilized America.

FEDERATED HARDWARE MUTUALS
Hardware Dealers Natural Fire Insurance Company, Home Office, Sceness Pains, Wisconike
Nutural Implement and Hardware Insurance Company, Home Office, Oventrome, Minneste
HARDWARE MUTUAL CASUALTY COMPANY
Home Office, Stevens Paint, Wisconsin

LICENSED IN EVERY STATE



## Hardware Mutuals

Stevens Point, Wis. \* Owatonna, Minn. \* Offices Coast to Coast

Compensation, Automobile and other lines of

CASUALTY AND FIRE INSURANCE

more or less of unnecessary government expenditure.

Senator Byrd has suggested the possibility of a tremendous anti-inflationary accomplishment through the discharge of some 300,000 federal government employees who could be safely spared.

Second, in our attempt to check inflation by the direct means of price limitation, we have fallen far short of what might be accomplished through failure to apply the checks consistently and fully to wages and prices. The tacit acceptance of the "little steel" formula, with its implication that the laborers are entitled to wage advances corresponding to increases in the cost of living is, in my personal opinion, nothing more than surrender to the forces of inflation.

#### Are subsidies justified?

THIRD, the use of subsidies is in general no check to inflation. There may be special cases in which subsidies to certain high-cost producers may be justified for the sake of obtaining the utmost possible production. But those are exceptions.

Subsidies to consumers are certainly an absurdity when one of the basic causes of inflation is excess of con-

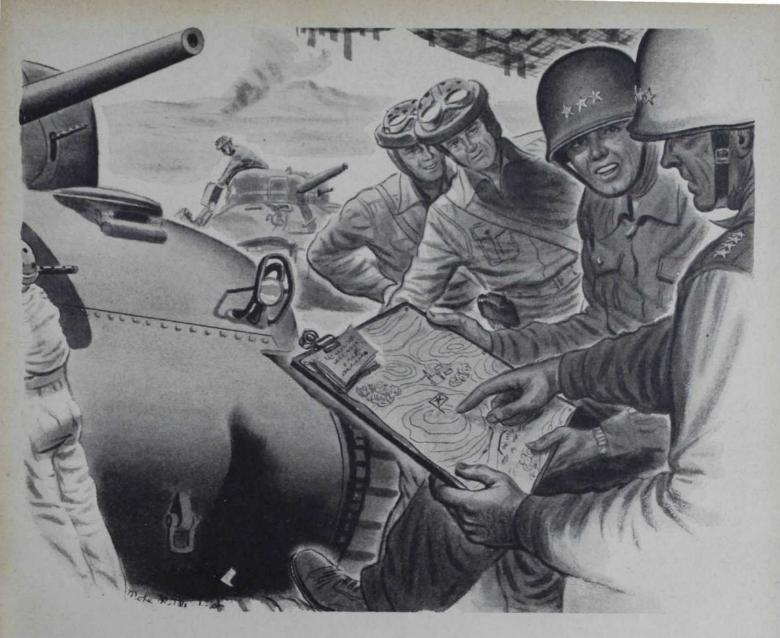
sumers' spending power.

And those subsidies to producers which permit the holding down of market prices are, at best, only a concealment of inflation. Under the free operation of the forces of demand and supply, prices would rise, and the increase would be paid by the people who consume the goods and want them badly enough to pay the higher prices. Under the subsidy programs, the Government bears the additional price, which is thus a burden on all the people, regardless of their consumption of the goods in question.

Let me suggest that there is no panacea for inflation. We are bound to have some inflation, now and after the war. We have already had inflation, as anyone can verify for himself by consulting the official index of

wholesale prices.

There are some things worse than a moderate inflation. Among them I would include such regimentation and control of private enterprise, through price fixing and rationing and the regulations and interference of OPA, as may place a strangle-hold on free enterprise and set the stage for total economic planning or the socialistic state; and taxes so high and so inequitably distributed that they retard investment and production and threaten the destruction of the American system of personal freedom, free enterprise, and democratic government.



#### THE ROAD TO VICTORY

#### IS MAPPED ON PAPER

First the plan, laid out on paper. Then the action based on plan. Never one without the other. Thus are battles won with paper. And in this war paper plays the most important part it ever played in all world history.

Paper cartons for shells. Paper boxes for food and medical supplies. Paper helmet linings for our soldiers in the fever-ridden tropics. Paper fins for bombs. Paper camouflage. The list is almost endless and the need has grown so great that a serious paper shortage faces the United States.

This means that every one of us now should save waste paper for reprocessing. And every one of us should use less paper if this shortage

is to be decreased. Here are the simple facts: With the *need* of paper growing daily, the *supply* is dwindling. Manpower shortage in the woods is expected to cut paper production still more in 1944.

Your help is needed to save and turn in all waste paper (excepting waxed, oiled or tarred) and to use less new paper. This is one important way you can help to a quicker victory.



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LOS ANGELES: 510 W. 6TH ST

## Plugging Another Bottleneck

HE FOUNDING FATHERS of this country recognized the importance of cork in a civilian economy. They did little about it except to determine that the soil and climate of the southeastern states were suitable for growing cork trees.

The versatile Thomas Jefferson went much further. For 40 years he worked to establish the cork oak in this country, even going so far as to ship acorns to a friend while he was representing the United States Government in France.

Nothing much came of the Jefferson efforts nor from those of the Patent Office which-doubling for a Department of Agriculture which was not established until 1862-obtained

acorns from Spain and tried to estab-

lish a cork industry in 1858.

PRIVATE enterprise acts to give this country production of a commercial and war necessity which has stumped us since Thomas Jefferson first became interested

Cork for this country and the world continued to come chiefly from the shores of the western Mediterranean which was all right in peacetime when we were able to import the 160,000 tons we needed.

War brought a more diffcult problem. Cork is a critical war material. It is used for cartridge plugs, bomb parts, insulation, various kinds of

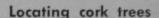
gaskets and other essential equipment for both the Army and the Navy. At the beginning of hostilities, the Government took over all cork stocks in the country and the fact that Spain and Portugal were neutral made it possible to bring in a limited amount of cork. The liberation of Algeria and the

United Nations' control of the Mediterannean have eased the tension today but WPB still regulates the use of

cork in this country.

Meanwhile, private industry promises to free us forever from the need of depending on others for our cork.

Some time ago, Charles E. Mc-Manus, president of the Crown Cork and Seal Company, established a cork project to promote the growing of cork trees in this country.



ALTHOUGH past efforts at cork culture had proved commercial failures, many hardy trees had survived from those earlier plantings, notably some 600 at Chico, California, dating back to 1904, and a smaller number in Florida. The Florida trees were grown from acorns imported from Portugal and apparently are the sturdiest of a large crop. A severe storm destroyed the others.

Under the McManus project efforts are being made to locate every cork tree in the country. The Crown Cork and Seal Company assumes the cost of collecting acorns and seedlings from these trees and distributing them to planters. After planting, the trees become the property of the planter.

Each year cork is removed from a few trees in selected areas for testing and specimens of soil from under widely distributed trees are collected for laboratory examination.

Owners of mature cork oaks are cooperating by offering their trees for experimental stripping, and donating their acorn crops. The United States Forest Service, Extension Foresters. State Departments of Forestry, forestry departments in the universities, and local agricultural agents are cooperating with the project. Already much has been accomplished. Thousands of young cork trees have been planted from California to Florida,



Cork is procured from the bark of the cork oak tree. America has a few mature trees like this one which produce regularly



If you struck up a conversation with a Chinese citizen in bomb-churned Chungking, and brought up the subject of America's metal-salvage drive, he might say something like this:

"As soon as the Jap bombers have gone and the all-clear signal sounds, we Chinese carefully gather the bombfragments and turn them in for scrap. For in China, every ounce of metal is precious.

"One way to keep that kind of scrap away from your cities is to turn in every other kind!"

The sooner every bit of scrap is turned in — be it unused door-keys or unused heavy machinery — the sooner we and freedom's fighting friends will live in peace and happiness once more. . . . There is still a lot of scrap uncollected. Let's get it in—quick—because "Uncollected scrap means undefeated Axis"!

This is an advertisement of the Felt & Tarrant Manufacturing Company, 1712 North Paulina Street, Chicago 22, Illinois: makers of COMPTOMETER ADDING-CALCULATING MACHINES

## How a call for a DOCTOR led to a

#### WORLD FAMOUS DEVICE

and the founding of a business that is playing a vital part in ELECTRONICS for war

An Invitation to MANUFACTURERS and INVENTORS

Have you an idea or invention in

Have you an Rica of invention electro mechanics which you think will aid the war effort, or which has peace-time application? We'll be glad to develop it with you on a mutually satisfactory basis.

We are planning to add 5 or 6 products to our post-war line. If you have a product or idea which you believe would fit in with our activities, write our President, Mr. W. E. Ditmars, in complete detail. We will consider any practical arrangement.

One day back in the 80's, William Gray had to call the doctor for his wife, critically ill. The handiest phone was in a nearby factory, but permission to use it was obtained only after appealing to a company official. Proffered payment for the call was curtly waved aside.

After this unpleasant experience, Gray set out to devise some method by which the general public could at all times have easy access to a phone. The result was his invention of the telephone pay station, and the founding of a business that has taken a leading part in electromechanical progress for the past 50 years.

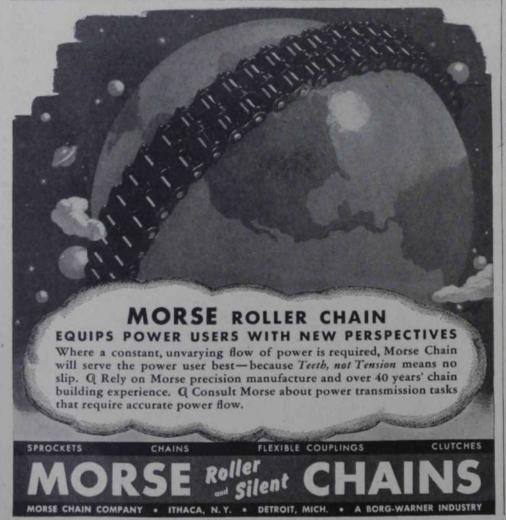
So when the war came, we had the technical skill and manufacturing facilities for providing the high-precision electro-mechanical devices essential to our armed forces ... Large quantities of ELECTRONIC equipment have been designed and manufactured in our plant, as well as equipment for wire communication and sound recording.

When Victory is won, you can likewise look to Gray for new advancements in electro-mechanical products and in electronics, which promises to play such an important part in peace-time developments.

THE

MANUFACTURING COMPANY

Makers of telephone pay stations since 1891



and the program calls for not less than 250,000 cork trees in 1944 and succeeding years. However, the requests for cork trees far exceed the number of acorns and seedlings available.

During the past four years more than 100,000 cork seedlings have been planted in California. The cork acorns are collected during the fall and winter, usually by boy scouts or through members of 4-H Clubs. The acorns are packaged or bagged and shipped to designated state nurseries where State Forest Rangers grow and distribute the seedlings. Cork seedlings are free to any person desiring to grow cork trees. Applications are made through the local farm adviser to the Extension Forester at the University of California.

In Arizona 50,000 seedlings are grown annually at a nursery located near Superior. Twenty cork oaks have been found in Georgia, and additional ones are still being located. South Carolina has about 16, Virginia four. North Carolina five, Alabama five, Louisiana seven, and Florida three. Department of Agriculture reports show that cork plantings have been made in Mississippi and Texas.

It is obvious that cork can be grown where healthy cork trees are now growing or have grown. Tests are being conducted to determine other sections suitable for growing cork.

An exhaustive study of soil, climate, rainfall and temperature conditions in the United States has been made and this data compared with that of the cork producing sections of Spain and Portugal, From this study, a map showing the potential cork producing areas has been prepared. While this physico-geographical map serves as a guide in planting cork trees, seedlings have been distributed to persons outside of this theoretical cork area. It is entirely possible some sections indicated as less desirable for growing cork may produce satisfactory trees.

#### **Holiday Travel**

JOSEPH B. EASTMAN, Director of the Office of Defense Transportation, has requested all government agencies and all private employers to refrain from granting vacation leave or time-off to employees, where travel would be involved, from December 17 through January 10.

Mr. Eastman also asked government and business to make special efforts to curtail business travel during this period, wherever such travel could be deferred without impairment of the war effort. He likewise urged government agencies to refuse all requests for government speakers at conventions or similar group meetings held between December 17 and January 10.

#### Things to Come

EXTREMISTS contesting for power always claim to act on behalf of the people, says James Burnham in "The Machiavellians"

THE "SHAPE of things to come" in Great Britain, as pictured by the centennial issue of the London Economist, and various Plans for our own country are based without exception upon the proposition that the public demands them.

The *Economist* points out that nationalization of industry in Great Britain, for example, is not a question of principle, but rather of what the community wants to have. The only argument for nationalization, says the authoritative British publication, boils down to this:

"An industry should be nationalized when the community wants it to behave in a way substantially different from its behavior under private management..."

In the case of the coal industry, says the *Economist*, the "people" may require the industry to change its form of organization in the interest of "efficiency" or "better relations with its workpeople"—or, "to run at a loss in the public interest." Nationalization of land may be sought to eliminate profit without requiring loss. The public may require other industries, such as the wholesale food trades, to sell their products more cheaply to some customers than to others, even though protected against loss.

#### Only general principle

"THE only general principle," the publication adds, "should be that since the State intervenes to secure a certain pattern of behavior, the form of organization should be such as will best accord with the desired behavior." (Behavior desired by the people.)

This approach by an important element of British thought has a special significance in the United States, if for no other reason than the fact that the British viewpoint in recent years has been quickly reflected among influential groups in this country.

This situation is by no means new. James Burnham in "The Machiavellians," published recently by John Day, points out that there has always been contest for power among ruling groups, and always in the name of "the people."

In America today, as in Britain,



Because of the limited equipment and the heavy burden placed on all transportation services, the Office of Defense Transportation is urgently requesting you to ship your gifts and packages before December 10th.

Help us keep the vital transportation lines of the nation flowing smoothly over the Christmas period by shipping before December 10th.





THERE would be more fun ... with fewer disasters ... if skis could be provided with gadgets like this. Through our experience with electrically operated "finders" for locating submarines and airplanes, anything can happen . . . after the war.

The application of the science of electronics to peacetime products will call for electrical connectors for hooking up complicated circuits. Cannon Connectors will be specified for this purpose . . . as they are specified now on all kinds of electrical apparatus where absolute dependability is the first consideration.

The Cannon Type "XK" series of midget connectors are used for radio, public address systems and other electronic devices where vibration is a factor. Like all Cannon Plugs, they are precision-built to the most exacting specifications. And they are 100% dependable under all operating conditions.





#### CANNON ELECTRIC

Cannon Electric Development Co., Los Angeles 31, Calif.
Canadian Factory and Engineering Office: Cannon Electric Co., Ltd., Toronto

REPRESENTATIVES IN PRINCIPAL CITIES-CONSULT YOUR LOCAL TELEPHONE BOOK

groups are coming forward to demand nationalization of industry and natural resources in the name of "the people."

The leaders of these groups look upon themselves as the embodiment of the will of the whole people, Mr. Burnham says. He terms them Bonapartists because they claim unlimited authority to work in the public interest. They believe that parliaments and local governments should be wholly dependent on the central sovereignty which alone, they contend, legitimately represents the whole people.

#### "People ruling itself"

"THE regime is democratically legalized by the use of suffrage mechanism in the form of plebiscites," says Mr. Burnham. "These are the characteristics of Bonapartism. We find them completely developed in Germany and Russia; and more and more closely approximated in England and the United States."

The Bonapartist leader can wrap around himself the mantle of the quintessential democrat; and claim that his despotism is simply the omnipotent people ruling and disciplining itself, the writer says.

And when we speak today of "the people's century," and "the century of the common man," we are merely paraphrasing the catchwords of another era—such as "the people's state," and "the classless society."

Vice President Wallace is cited by Mr. Burnham as the major prophet, in the United States, of the Bonapartist mystique. He points out that Mr. Wallace never held elective office prior to 1941; that by general admission, his nomination for the vice presidency at the Chicago Democratic Convention in 1940 did not result from popular demand, nor was it the obvious will of the convention. His nomination and subsequent election is described by Mr. Burnham as a mere "plebiscitary confirmation of a decision made in fact by a leader."

Thus, contends Mr. Burnham, when the Vice President lauds the Russian system at the expense of our own; when he suggests that Bill of Rights democracy may have been overemphasized in this country at the expense of a brand of democracy which he defines as vastly superior, he is acting in the true role of a modern Bonapartist.

"When we keep in mind the connection between Bonapartism and the formula of democracy as government by the people, we should not be surprised by what might otherwise seem to be a paradoxical political phenomenon: the rapidly growing number of

## Have a "Coke" = Come, be blessed and be happy



## ... or how to break the ice in Iceland

"Come, be blessed and be happy", says the hospitable Icelander when he meets a stranger. That's a warm way of putting it, but no more friendly than the way American soldiers say it. Have a "Coke", says the Doughboy, and it works in Reykjavic as it does in Rochester. The pause that refreshes is the friendly way to say, "Hi, pal" in any language. All over the globe Coca-Cola has become the gracious ice-breaker between kindly-minded strangers.

# It's natural for popular names to acquire friendly abbreviations. That's why you hear Coca-Cola called "Coke". Coca Gold TRADE-MARK TRADE-MARK TRADE-MARK TRADE-MARK high-sign

COPYRIGHT 1943, THE COCA-COLA COMPANY

## Another Great Army

Twenty million people are banded together for mutual protection through life insurance in The Prudential

Wouldn't you like to join them?







#### Tsk...Tsk...AGAIN?

War times turn many an executive into a chronic "Night Owl".

Sometimes it just can't be helped. But too often he burns the midnight oil simply because some-thing down the line has slipped up through in-

The cure for inefficiency is system ... and the Remington Rand's Systems and Methods Technician is a veteran at analyzing manufacturing problems in both the office and the factory.

and the factory.

Most organizations have at least one bottleneck. WHAT'S YOURS? Production Control? Procurement? Inventory Control? Cost Accounting? Personnel? Sales Planning? Turn the Remington Rand Analyst loose on it.

He may prescribe a Kardex Visible System, with its exclusive Graph-A-Matic signal control feature, as a sure cure for what all your production. Or a Variadex Filing System to put your files on a find-it-immediately basis.

Call him in now and throw your worries in his lap. A phone call or wire to our nearest Branch Office will bring him on the double.

REMINGTON RAND BUFFALO 3, NEW YORK

individuals in this country who may properly be called 'democratic totalitarians' . . . these people are, as we can readily discover from their speeches and articles and books, the most extreme democrats in the country and quite possibly in the world. In the name of their democracy, they preach the attitudes of Bonapartism, and they advocate the suppression of the specific institutions and the specific rights and freedoms that still protect the individual from the advance of the unbridled state.

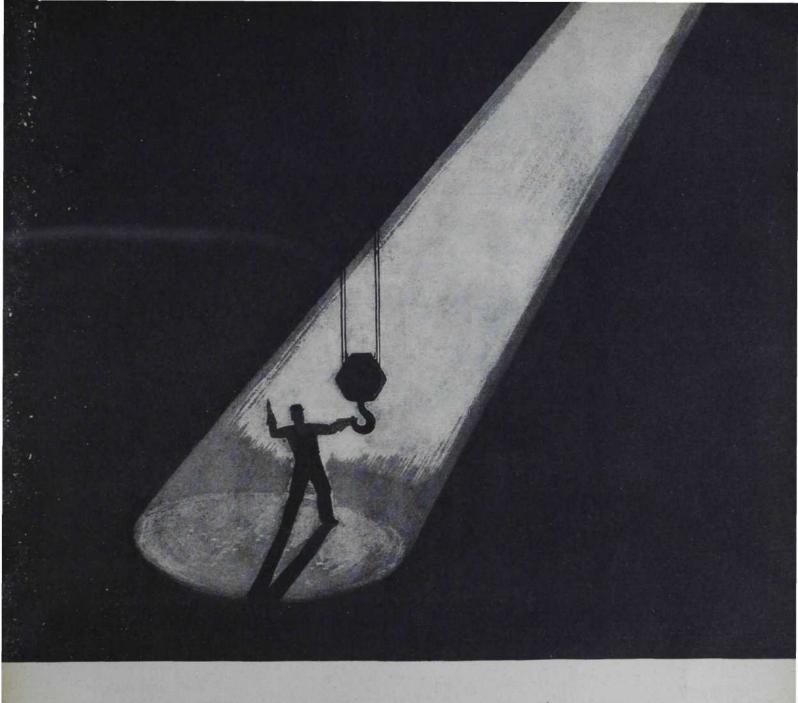
"Huey Long knew much more about politics than these persons will ever know. When he said that if fascism destroys democracy in this country, it will do so in the name of democracy, he was correctly predicting the role that the democratic totalitarians are today playing. His opinion, expanded into the language we have been using, may be put as follows: the Bonapartist development of the democratic formula of self-government will be used in the attempt to destroy those concrete individual and social rights which were once also associated with the idea of democracy.

"It should not be imagined that this phenomenon is confined to the United States. Some people have the naive opinion that in other countries despotism was established in the name of despotism, that dictators who were in the process of destroying freedom made clear to the people that they were doing just that. Naturally, it never happens that way. The modern despotisms have all marched to the tune of 'the workers' or 'the people.' The Stalinist Constitution of 1936 is, we are assured, the most democratic in the world. Nazism expresses, according to its own account, the aspirations and highest freedom of the entire German people, and, indeed, when Europe begins to get conquered by Germany, of all European peoples; and would doubtless do the same for the peoples of the whole world, if Nazi arms should be fully successful.

"Honest men have never been able to get an exclusive patent on the words of democracy."

#### Inflation Tale

PRESIDENT C. E. WILSON of General Motors tells of the company's representative in Cairo who recently sold a 1939 Buick that had travelled 40,000 miles for a sum equivalent to \$16,000. Egypt isn't in the war, has low taxes and finds lots of money flowing in from outside the country.—The Wall Street Journal.



#### 60 Years without an Alibi

Yes, that's how long ago it was that we first put ourselves "on the spot."

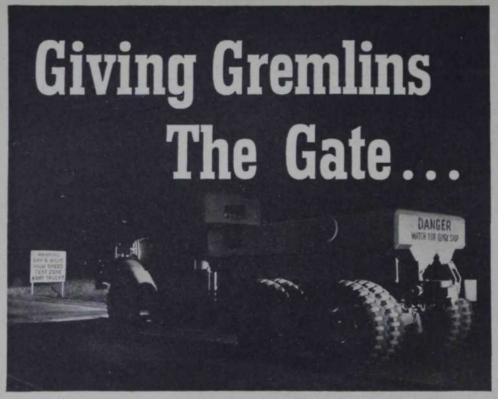
We did it by assuming a single manufacturing responsibility for P&H overhead materials handling equipment. This was the only way we could guarantee faithful service—by exercising complete control of quality—by building all the equipment ourselves, even to electric motors designed specifically for the lifting and lowering of heavy loads.

The passing of 60 years has not changed our policy. This sole responsibility for the efficient operation of P&H Hoists and Cranes built completely in our shops, adds up to greater customer satisfaction—a reputation that has helped to make P&H Amer-

ica's largest builders of overhead materials handling equipment.

Today, P&H's experience in applying electrical power to the movement of heavy loads is serving America everywhere. P&H engineers will gladly discuss your particular requirements with you.





( Heavy Wrecker (M-1) made by Ward La France carrying 20,000 lb. loads on routine test run. Road test load exceeds gross weight of finished vehicle.)

● GREMLINS are notorious hitch-hikers...always anxiously awaiting the chance to catch a ride on an indispensable piece of war equipment and foul it up at the most crucial time.

Here at Ward LaFrance we have "open season" on the troublesome creatures... systematically seeking them out and eliminating them long before they can grow up to commit more serious crimes on men and machines. Our successful method of dealing with truck Gremlins is unique with Ward LaFrance.

#### We take them for a ride!

It's so tough they give up. After a peaceful period of pleasure riding they begin to cry out. They can't understand why a truck has to carry a 20,000 lb. load at full speed... sudden stops and starts... uphill and down. We can tell them.

It's a routine test run given every Tank Recovery Truck made by Ward LaFrance. And, if you don't think it gets results . . . just ask the Gremlins.

When planning your post-war replacements, investigate Ward LaFrance first. Learn about trucks engineered, built and tested for specific jobs. You'll be glad you did.

#### WARD LAFRANCE TRUCK DIVISION

ELMIRA,



NEW YORK

## Auto Tags...

STATES find ingenious substitutes but still prefer steel for license plates

MULTI-COLORED license plates on front and rear of automobiles will all but disappear next year—and will be replaced by single plates of steel or plastics, tabs inserted in old plates, or windshield stickers, according to Public Administration Clearing House. These substitutes are the result of experiments by motor vehicle registration administrators to replace steel plates used universally before the war.

But, despite the fact new devices have been cheaper, administrators look forward to the time when adequate supplies of steel will permit use of two steel plates per car each year. Tabs have been difficult to administer, easy to remove and replace on other cars, and hard for enforcement officers to identify, a study by the Federation of Tax Administrators shows. Stickers are disliked by car owners and enforcement officers and cause complications in the accounting office. Fiber board has proved successful for license plates for passenger cars two states report, but as far as is known, no state has used it for trucks.

Half the states will issue only one new license plate of steel in 1944, while others will use substitute materials for their licenses. Two states, Connecticut and Delaware, have permanent plate systems. Illinois, Louisiana, Montana and Virginia will issue two new fiber board plates for each car; licenses for trucks only will be made of steel in Illinois and Louisiana.

#### Tabs and stickers

SEVEN states will use small tabs, 11 will use stickers. California will use tabs for motorcycles and trailers but stickers for passenger cars. Alabama, Washington and Wisconsin will combine the use of one rear plate with a windshield stamp, and Wisconsin also will use a tab. The one plate of Wyoming will be of fiber board or plastic. Several states including New York will utilize steel from discarded plates.

Only four of the states using tabs this year—Maryland, Nebraska, Texas and Wisconsin—will continue to do so in 1944, according to present information. Colorado and South Carolina will try tabs for the first time in 1944.

In general the sticker was more successful than the tab, the Federation reports. The following states using this device in 1943 will continue the practice next year: Alabama, Arizona, Idaho, Iowa, Massachusetts, Oregon and Washington. Those of Washington will have larger numerals and will be of better quality than before. South Dakota, which issued tabs in 1943, will try stickers next year.

# Working for Victory on the Santa Fe

## MAKING NEW ONES OUT OF OLD ONES

Many a veteran Santa Fe gondola, already marked for retirement, has had to take a new lease on life.

Battered, broken and ready to quit, these hard-worked cars no longer had the strength to hold their loads.

Somehow, these "old boys" had to be kept rolling!

So Santa Fe shopmen got busy. They took old steel ends from broken-down box cars, and rebuilt the old gondolas with steel sides, and a new, steel-reinforced floor—all made from old, used materials.

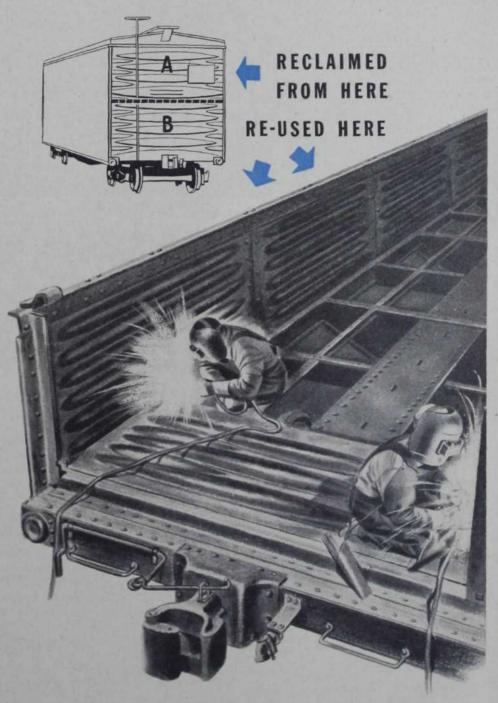
Now, these rebuilt old gondolas are proudly hauling coal and ore to the mills, war material to Army camps, tanks and guns to waiting ships—doing their part in binding an entire nation together into one unified war effort.

#### Here's How It's Done

Old steel box car ends are cut in half, and the two halves, "A" and "B", reassembled and riveted to the frames of the old gondolas. Old steel beams are used to reinforce new floors in place of the original wooden beams. The running gear is completely overhauled.

"Back the Attack with War Bonds"





#### SANTA FE SYSTEM LINES

Serving the Southwest and California

ONE OF AMERICA'S RAILROADS-ALL UNITED FOR VICTORY

## The Oil You Don't Get

By THOMAS T. READ

Professor of Mining Engineering, Columbia University

MMENSE oil sands which may yield six times as much oil as the present estimated world resources are known to exist in northwestern Canada.

Recently located fields in Arabia are not yet fully known, but certainly are another large addition.

The American Petroleum Institute's committee on reserves now estimates our proved oil reserves here at home at 19,000,000,000 barrels.

Technology already is available to make petroleum products from coal and from natural gas at a price differential less than that between natural and synthetic rubber.

But, even with this great and rapidly rising abundance of sources in this country and throughout the world, will there be enough crude petroleum available to meet our needs in the coming year?

The answer is no!

During the oncoming oil crisis there will not be enough to meet our needs anywhere. The deficiency, as far as this country is concerned, will be caused by man-made difficulties, by controls both short-sighted and unintelligent.

Estimates indicate our oil requirements for 1944 will be 500,000 barrels daily greater than in 1941, the year controls were applied.

What has happened, under these controls, to our ability to produce oil?

#### Free forces not working

DURING the five-year period from 1937 through 1941 the average number of new wells completed annually in the United States was 19,847. The wells completed in 1942 number 10,492—a drop to just over half the normal rate. Completions this year show a continuing decline.

While military demands for vitally necessary oil rise and civilians are required to curtail their use of it, our means of meeting the need are caused to diminish.

This is a difficulty of a planned economy. It is the result of price ceilings established by OPA on crude oil and on its refined products. In a free economy such a situation would not arise.

As demand for crude oil increased,



THE NEXT generation will have plenty of petroleum but this country will be short of it in the coming year

it would, in a free economy, cause a rise in the price. This increase would stimulate the drilling of new wells. Prices for refined products would increase, reflecting the rise in the price of crude. This would tend to check the rise in demand. As new wells came into production they would increase the supply, and check the rise in price.

None of these forces are operating

The public is vaguely conscious that, in recent years, there have been periods when the wells in operation were capable of producing more crude oil than the market would absorb. Perhaps the public supposes that all that is necessary is to open the valves on the wells, like turning on a larger flow in filling a bathtub.

But petroleum producers are under no such delusion. The plain lesson of operating experience is that, to get out for use the petroleum in an oil pool, the gas pressure on it—which moves it through the ground—must be maintained.

Opening up the wells to the limit

would produce more oil for a little while but less in the end. It would be a waste of a precious resource. We might meet the critical demands of 1944 by squandering our heritage, but no sensible man would advocate it. The wastes of war are terrible enough without adding an unnecessary one.

The only sound solution is to drill new wells. But the price limitation discourages that.

Even a shallow well is expensive to drill. It is not unusual for a single well to cost \$250,000 and one out of every five wells produces nothing.

#### Paying for new wells

BEFORE drilling starts, considerable sums must be spent on preliminary studies. All this is lost if the work is unproductive. The cost of such unproductive search must be distributed over the productive wells.

The time-honored method has been to provide, through increased prices for the product of existing wells, the funds necessary to drill new ones.

Even if this increase is passed on directly through the refiner and distributor to the consumer, it is not a steal from the consumer. It is merely a business-like and effective way of having the consumer finance, through his current purchases of products, the cost of finding and bringing into production the oil he will need later.

If it is not brought in in time, inevitably it will cost him more later through the normal working of the law of supply and demand.

The 25-cents-a-barrel increase in the price of crude, a rise that probably would result in greater drillings despite higher wage and material costs, would amount to less than one-quarter of the taxes the consumer now pays on petroleum products.

Any well-informed consumer would gladly pay it as an insurance premium against a later higher increase in

The Petroleum Administrator for War has twice requested OPA to grant a 35-cent increase in the price per barrel of crude oil. Twice the request has been rejected.

To increase the wartime supplies of copper, lead and zinc, producers have



### IF THE JAPS INVADED TOMORROW ...

Suppose you picked up your newspaper some morning and found that the Japs, in a lightning raid on the Pacific Coast, had fired a California city—and burned thousands of people alive! Suppose that you learned that among them were 2,200 children less than nine years old—wouldn't your blood boil? Wouldn't you be roused to a higher pitch of fighting spirit than you have ever been?

Yet—2,200 children under nine years of age are burned to death every year right here in the United States! But Carelessness, not the Japs, is the criminal.

And—it's a crime you can help stop.

Yes, you can help save thousands, tens of thousands of other lives . . . and help prevent damage to war plants, damage seriously retarding our war effort with losses that mere dollars cannot replace today. And, to make it more tragic, fire losses this year are about 16% above last year and are rising at an alarming rate.

That's why fire prevention, always important, is extra important this year. That's why, too, cutting down fire losses is the concern not only of every manufacturer and home owner, but of every citizen. And there is this final reason to make fire prevention your concern—over a period of time the smaller the losses the less the property owner will pay for his insurance protection.

So, now of all times, be extra careful about fires.



THE HOME &

Insurance Company

NEW YORK

FIRE \* AUTOMOBILE \* MARINE INSURANCE

Make Every Week Fire Prevention Week



war industries depend on better, safer, longer-lasting PLOMB TOOLS

The Plomb hinge handle is a favorite because it gives three advantages in war production—

- 1. It provides maximum flexibility.
- Light yet strong, it is safer to use than ordinary types.
- 3. Made right so it will last longer.

All tools in the famous Plomb line are well-known for the better, safer, longer service they give. Call the friendly Plomb dealer near you to help you get exactly the kind you want for your war job — from screwdrivers to sockets and attachments. Plomb Tool Company, Los Angeles 11, California, U. S. A.



been offered a bonus in the form of an increased price for that part of their output which represents an increase over normal production. Fairly good results have been obtained in this way. Output of existing mines has been increased.

But a well which is now producing crude petroleum is producing all it can. The way to get increased output is to drill new wells.

The operators already are applying the best technology they know to operation of their wells, and an increase in price would make no difference in the output of existing wells.

There comes a time in the life of any well when the value of its output becomes so small through the normal decrease in quantity, that it does not pay to continue to operate it. If the output yielded more, through an increased price, its life could be extended and more total oil produced.

This is a normal, business way of producing that result. Certainly it would work better than paying bonuses or subsidies.

The sum of the matter is that, to produce the oil needed in 1944, the rate of drilling new wells needs to be stepped up. The industry wants to use for that purpose the same method that has worked in the past.

Bureaucratic control wants to employ other methods. The industry does not believe these will work. Meanwhile nothing is being done.

All the evidence indicates that petroleum supplies, perhaps at somewhat advanced but not unreasonable prices, will be available to the next generation, and surely our own generation must possess the intelligence to extricate itself from the dilemma into which it has blundered.

#### Less Pawning Today

AN INSIGHT into living habits of a nation at war is offered by New York pawnbrokers who agree that business is off 50 per cent today and lower than at any time since the 1920's.

Reports crossing the ocean are that London pawnbrokers are feeling the same slump. Many shops there are now open only two or three days a week.

One reason, New York dealers told a reporter recently, is that young fellows who "lived too fast" and frequently had to pawn the same wrist watch several times a year are now in the Army. Other customers are making high wages in war plants although, in one dealer's opinion, they aren't handling the high wages very wisely.

"They throw it (their high wages) away the first half of the week," he said. "Then we do business the second half."

However, most dealers agree that more pledges are redeemed today than before the war. Pre-war average is estimated at between 80 and 85 per cent. Today 95 per cent of pawned items are redeemed.



# THANKFUL for a bit of Canvas Overhead

PAPUA . . . Sanananda Area: It really rains in New Guinea — inches in one night — and a bit of Canvas overhead is mighty welcome.

Yes, every yard of Hooperwood FIRE CHIEF-finished Canvas is just as important to the war effort as steel, aluminum, explosives and other vital materials, for our armed forces literally travel, live and fight under canvas.

And when the war is over, this amazing fire, water, weather and mildew resistant Hooperwood "Engineered Canvas"—now produced exclusively for government needs—will open up new broad fields of usefulness, benefit many widely used products.

To mention but a few — awnings that won't ignite from carelessly-tossed cigarettes or rot from mildew; special canvas truck covers that will outlast their predecessors

several times over; welding curtains, construction windbreaks and tarpaulins that refuse to burn even though touched by torches, hot rivets, or glowing coals; canvas marine supplies that will help strike out the fear of fire on shipboard; aircraft canvas fabrics that repel gasoline and oil.

These and many other applications of Hooperwood "Engineered Fabrics" for business and industry will be waiting for you when conditions return to normal.

WM. E. HOOPER & SONS CO.
New York PHILADELPHIA Chicago

Mills: WOODBERRY, BALTIMORE, MD.

Since 1800 (through six wars) the HOOPER name has symbolized highest quality in Cotton Duck and other Heavy Cotton Fabrics, Paper Mill Dryer Felts, Filter Cloth, Rope, Sash Cord.

Fire-Chief Finished

HOOPERWOOD COTTON DUCK

## War Surplus for Sale

INDUSTRY is alarmed over what might happen if vast stocks of war goods are thrown on the market when peace comes, but the Armed Services are cooperating and will have a plan to offer

THE ARMED services are making advance plans for the disposal of their surplus property when the war is ended. These plans will be placed in the hands of Bernard M. Baruch. He will make the final plan.

All concerned assert that industry shall not be injured as it was in the free-dumping period of 1920-21, after the First World War. Then there was no plan. Warehouses were emptied at

the buyer's price.

So-called Army and Navy Stores sprang up on every corner. Shoes that cost the Government \$10 to buy were sold for \$2. Nine-dollar blankets went at a dollar each. These are sample

prices.

Officers in the Army and Navy, the Air Forces, and the Maritime Commission are hard at work roughing out plans which, in the first instance, will go through the hands of Under Secretary of War Patterson, Under Secretary of the Navy Forestal, and Admiral Land of the Maritime Commission. Conferences are being held with the heads of industry.

These heads retain a bitter memory of the selling storm which followed the First War. The services hope that plans will be worked out which will ensure the earnest cooperation of all branches of industry. The services take a realistic view of the situation. If industry were to be ruthlessly sacrificed as was the case in 1920 it might not again be generously ready to do the impossible if another war were to come about.

#### Unusable materials

IN THE meantime, certain surplus, superseded and unusable materials are being disposed of in the manner prescribed by Army and Navy regulations. These are available to all interested. Goods of this nature only reach the private purchaser if all the fighting services and the industrial divisions of the War Production Board declare they are of no value for the prosecution of the war. Buyer and seller may then negotiate for a price.

Considerable excitement was raised among the uninitiated by the recent publication of a four color, 8 x 101/2 inch, calendered paper catalogue by the "830th Army Air Force Specialized Depot" of Memphis, Tenn., addressed to "manufacturers or their suppliers under existing regulations.'

This contained 32 pages of illustrations of articles available at this time. They ranged from brass or steel screws of almost every size and sort, with washers, to rubber hose with or without couplings; aluminum, steel, plastic and self-sealing tanks for gasoline or fuel oil, of every conceivable size; to air compressors, fuel pumps, meters, airplane jacks, fuselage cradles, airplane wheels and engine dollies; film and electrical equipment, airplane engine parts, heaters and de-icers and seats and miscellaneous airplane parts; armored cable and field hangars and drills, tools and tube benders-

Most alarming of all was an offering of electrically heated flying suits. fleece-lined trousers and flying shoes insulated against the most extreme

It really looked as though 1920 had come again.

The 1943 motorist had visions of hitching an electrical flying suit to the battery of his tattered jaloppy and defying the worst blizzard. Or slipping into fleece-lined pants when he put out the cat.

But it isn't that way at all.

These goods-and all the goods that are being offered at this time-are only offered to manufacturers who might make use of them on war contracts. The electrically lined suits and the fleece-lined pants are not on sale at all. They got in through a mistake.

If no airplane manufacturer or other maker of war goods calls for any of the items in this catalogue-quantities are not stated because they fluctuate as reports are heard from the flying fields-then the War Production Board is asked to place before its industrial divisions this statement of articles available to war contractors. Only the final and inconsiderable residue is bought by non-war connected persons or companies.

Even the scrap is broken down.

Here are the steps as set forth in a document, which is headed "Don't Dispose of Excess or Surplus AAF property until you first read carefully PR-7 (Procurement Regulation 7), WPB Directive No. 13 and WPB Directive No. 16. Then -

Serviceable industrial property may be sold to a war contractor for use in a war contract; it may be circularized to the technical services of the Army. Navy, and, if you desire, Treasury Procurement for 20 days; you report it to the Redistribution Division WPB, subject to prior sale. Then fourth, it may be sold to any one. provided the sale is in accordance with WPB and OPA regulations.

#### Subject to regulations

MILITARY property may be declared as surplus to the War Department or classified as industrial property. It must then be reported to the Treasury Procurement and, if released, may be sold to anyone subject to Army, WPB or OPA regulations.

Irreparable property is mutilated after all usable parts have been reclaimed, and the remainder is transferred to the Salvage Officer of the Army Service Forces for disposal as

The responsible officers believe that these directives, which are to be read in connection with the 24 pages of Procurement Regulation No. 7, and which go into the most minute detail, provide an absolute, imperative, unbeatable guard against any property of the Services reaching the open market while the fighting is going on.

The postwar problem is one of greater complexity. Not only will there be billions of dollars' worth of property to be disposed of, but it may be roughly separated into three cate-

First comes such war material as guns, tanks, rifles, and the like. These will be warehoused in readiness for the next war-if and when it comesor until it is rated as obsolescent and must be replaced by up-to-date instru-

Second are the vast accumulations of property which may be available for civilian use, but which must not be thrown on the market to the injury of American industry. It is this second



#### F.O.B. FIVE MILES UP!

consigned by American Industry

"The customers won't be kept waiting."
They're accepting on-the-spot delivery in hundreds of fighting areas the world over.

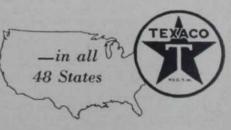
For instance, from Flying Fortresses, five miles up, 500 pounds of TNT to a "package"—our enemies are taking it and not liking it.

American Industry is busy producing and delivering the goods to do battle. In hundreds of war plants. In hundreds of war towns. By hundreds of thousands of war-working men and women.

There is one ingredient common and vital to this vast production. It is oil. Lubricating and cutting oils to turn and drill and plane and mill and grind.

This nation-wide demand for quality petroleum products is met by Texaco through its more than 2300 wholesale supply points. In addition—skilled engineering service is available to insure maximum efficiency from its products.

THE TEXAS COMPANY



## Cities Service Rust Remover

For the First Time in the History of Rust-Removal Compounds It is Now Possible to Secure a Liquid at Reasonable Prices

which has these

5 BIG ADVANTAGES

- 1. Non Inflammable
- 2. Harmless to Normal Skin
- 3. Makes Metals Chemically Clean
- 4. Removes Rust by Chemical Action
- 5. Free from Muriatic, Sulphuric, Nitric, Oxalic Acid or Cyanide.

as a plan-maker. Third is the disposal of what might be called the "real property," and this is now under consideration not only

phase of the overall problem which

is to be turned over to Bernard Baruch

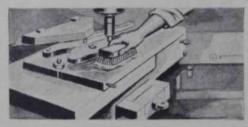
by the Truman committee of the Senate but by the military affairs committees of the two Houses of Congress. As stated in a recent report of the Truman committee:

"The great bulk of all war plants and the machine tools and facilities contained in them and many of the machine tools and facilities in the special war plants, can be utilized for civilian production. . . . We must use them. . . . The task of government is to determine the standards by which business can operate in such a way that businessmen will know where they stand."

The immensity of the problem is admitted. Many industrial leaders are frankly alarmed. The armed services are heartily cooperating. They will at least be able to offer a plan.



RUST is oxidation caused by moisture in contact with the surface of metal. To combat this universal problem Cities Service Rust Remover was developed and tested throughout a small highly industrialized area in the East, where it earned a unique reputation for performance.



SUBJECT MAY BE TREATED with a stiff brush, cloth or any convenient means in same manner as would be used with any ordinary cleaning or polishing fluid. Particles may be immersed in glass, crock, wood or rubber-lined container. General application is recommended at room temperature—(60-90° F.). Rust Remover is re-usable. Effective on enamel and porcelain as well as metals.

> See an amazing demonstration of Rust Remover on your own equipment. Wire or write Cities Service Oil Company, Room 1766, Sixty Wall Tower, New York 5, New York.

> (Available only in Cities Service Marketing Territory East of the Rockies)



liquid, practically odorless and non-inflammable. It is easy to apply and harmless to handle by workers not allergic to specific chemicals. Rust Remover is fast acting on steel and iron. It is effective for removing corrosion from-chromium, copper, aluminum and nickel.



MAKE THIS TEST. Place any rusty nail into a small quantity of Rust Remover. If badly rusted, allow to remain for several minutes—watch rust dissolve, original surface re-appear. Remove nail and wipe dry with cloth or tissue.

OIL IS AMMUNITION - USE IT WISELY!



#### Chop Your Wood

BECAUSE the regular wood choppers have war jobs and because of lack of transportation, Manchester, N. H., is facing a serious shortage of wood fuel. But "Chop your own wood" is becoming the slogan, and with it, the city expects to solve its fuel wood problem. Stumpage areas of at least 4,000 cords have been located within a few miles of Manchester and a workable program mapped out in charge of the Water Works forester and wood fuel chairman.

A person desiring to chop his own fuel asks the Water Works Office for a chopping permit. He is required to pay a stumpage price of \$2 when the application is made. As the stumpage areas are divided into lots, the chopper is assigned a lot number. A time limit is set, based on the number of cords he wants to cut, and he must guarantee a minimum of two cords.

Arrangements have been made to haul the wood out to the road, measure it, and haul it to the chopper's home at \$6.50 a cord for four-foot lengths. If the wood is cut to regular stove lengths at the lot, the additional charge is \$2.00 a cord.

Total cost of the wood is \$10.50 a cord, and considering that the ceiling price is \$18.00, the chopper makes the equivalent of \$7.50 a cord, stove lengths. delivered to his home.

The OPA has been cooperating with the plan by allowing choppers extra gasoline to get to and from the lots.

Most of the lots contain hardwood, beech, birch, and maple, but there is some softwood which the chopper may cut if he wishes.

Most important, a method of supervision has been devised to prevent the theft of wood after it has been chopped. -GLADYS VERVILLE DEAN



MARTIN

IT'S CALLED THE CROWNER—A MAN MADE TORNADO!

WO years ago, on the day after Pearl Harbor, a group of Army B-26's headed west . . . their destination, Australia. When the Jap offensive reached New Guinea, these B-26's went into action. In two months they wrought terrible havoc to Jap ships, bases and installations, with an extra dividend of 97 Zeros downed at a cost of 6 Marauders. Result—the Jap juggernaut shuddered to a stop.

The secret of the Marauders' success? Look at one and you'll see a plane born to fight. It's a plane with a chip on its wing!

That, Martin men say, was the Marauder's one fault. It looked too good to be true. At its unveiling in 1940 skeptics shook ominous heads. Too fast, they said, too "hot," too radical. In those days Germany's slow, ungainly Junkers epitomized "bomber."

Martin officials, however, had faith in their new bomber. On their own initiative they tooled up for big production. Indeed, the first Marauder off the line was no prototype, but a regular production model. And she did things no other bomber could do. Her speed equalled that of fighters... her bomb load exceeded that of some heavy

bombers . . . and she bore such Martin "firsts" as the all-plastic nose, power gun turrets, self-sealing fuel tanks, heavy armor. True, she was no ship for old ladies to handle . . . but in the hands of the Army Air Force she was 15 tons of flying fury.

#### From Midway to the Mediterranean

Okay, said critics, but what will she do in actual combat? They found out when the reports from Australia started coming in.

Meanwhile, farther north, the Japs struck at Midway and the Aleutians. Among other unpleasant items, they met Marauders carrying torpedoes . . . the Army's first torpedo bombers. At Midway hits were scored on Jap carriers and cruisers; in the Aleutians, one cruiser was sunk, a carrier damaged. Later, when the steady hammering of Kiska began, two Jap destroyers and numerous supply ships were sunk. The Marauders were hitting their stride . . . and their targets.

That summer General "Jimmy" Doo-

little, fresh from Tokyo, dropped in at the Martin plant. A new mission was brewing, he confided, and this time the outfit which bombed Tokyo was going to fly Marauders. Modifications had to be made to suit the climate... North Africa, as it turned out later. What Doolittle's air force did in Tunisia, and Sicily, is history. At this writing Marauders are applying the hot foot to the big Italian boot.

great B-26 fighting bomber built by the Glenn L. Martin Company for the U.S. Army Air Force and The British Air Forces.

#### "No plane like the B-26"

From cloud tops to treetops . . . as medium bombers, torpedo bombers, or long-range fighters . . . from Alaska to New Guinea to the Mediterranean . . . Marauders are taking on all comers. General Arnold, chief of the Army Air Force, has called them "great bombers" . . . OWI dubs them "the most efficient planes in the world in their class" . . . but perhaps the most significant tribute comes from the Air Force men who fly them. As one Marauder ace, veteran of the Southwest Pacific, said quite simply: "There is no plane like the B-26. It can't be beaten in design, sensitivity and control."

Considering the source, no higher praise could be given the Martin Marauder. The Glenn L. Martin Co., Baltimore, Md., U.S. A.

The Glenn L. Martin Co., Battimore, Md., C. S. &



#### I INTEND TO KEEP THIS PLANT BUSY AND THESE MEN EMPLOYED

Possibly Blaw-Knox products or service can help you to meet postwar conditions and provide additional employment for men returning from the service.

If you are in the chemical or process industries for instance, we offer a complete service in the design and engineering of ready-to-operate plants and fabrication of a practically unlimited variety of equipment for . . . distillation . . . gas absorption . . . solvent extraction and recovery . . . heat transfer . . . evaporation ... crystallization . . . drying . . . kilning and calcining . . . organic synthesis . . . mixing and stirring . . . dry blending . . . high pressure processing . . . vacuum processing . . . impregnating . . . gas cleaning and conditioning ... deodorization, etc.

The term Blaw-Knox Service includes the facilities of seven modern plants, hundreds of engineers, well staffed laboratories and more than 10,000 employees. It means recognized accomplishments in the design and manufacture of machinery and rolls for steel and non-ferrous mills, leadership in the fabrication of products for public utilities, railroads, contractors, the electronic industries and industry in general.

With our obligations as a manufacturer of important products for the war program clearly in mind, we invite a discussion to determine how and to what extent Blaw-Knox may serve you.

An Example of Blaw-Knox design and construction for the rubber industry.



Buy More War Bonds and Stamps

COMPANY

2053 FARMERS BANK BLDG., PITTSBURGH, PA.

A PACEMAKER FOR AMERICAN INITIATIVE AND INGENUITY

LEWIS FOUNDRY & MACHINE DIVISION, Rolls and Rolling Mill Machinery

POWER PIPING DIVISION, Prefabricated Piping Systems

NATIONAL ALLOY STEEL DIVISION,

Heat and Corrosion-Resistant Alloy Castings

PITTSBURGH ROLLS DIVISION, Rolls for Steel and Non-Ferrous Rolling Mills

BLAW-KNOX DIVISION, Chemical & Process Plants & Equipment, Construction Equipment, Radio & Transmission Towers . . . General Industrial Products

BLAW-KNOX BOMB DIVISION, Aerial Bombs

UNION STEEL CASTINGS DIVISION, Steel and Alloy Castings

MARTINS FERRY DIVISION, Bofors Anti-Aircraft Guns

BLAW-KNOX SPRINKLER DIVISION, Automatic Sprinklers and Deluge Systems

Four Blaw-Knox Plants have been awarded the Army-Navy "E" for war-production excellence

A FEW VICTORY PRODUCTS

ANTI-AIRCRAFT GUNS

**GUN MOUNTS** 

DES LANDING BARGES ARRIAL BOMBS POWDER PLANTS PIPING FOR SUBMARINES CAST ARMOR FOR TANKS & NAVAL CONSTRUCTION CHEMICAL PLANTS

SYNTHETIC RUBBER PLANTS

### When "Peace Breaks Loose"

(Continued from page 34)

have been wrecked or have worn out. War losses, occupation costs (more than \$1,000,000,000) and wartime printed money have put a severe strain on the country's currency.

What can Norway do, or hope to do, to get back on her feet economically—and to pay her own way?

New equipment and repair parts needed to put the farms and factories back into production will have to come from outside the country.

To be able to buy those goods, the business men of Norway will need purchasing power, and to create that purchasing power, they will have to produce and sell goods abroad—goods which they cannot produce until they obtain the supplies and equipment needed to put their productive facilities in working order.

It sounds like a merry-go-round. What is the starting point?

#### To prevent inflation

THE first step, says Hans Bull, will be for the Norwegian Government to stabilize the country's currency—to guarantee a fixed and definite value for Norway's monetary unit of exchange in relation to the American dollar. Otherwise, there will be danger of runaway inflation.

To stabilize the currency and to create confidence at home and abroad in Norway's monetary system, it is expected that the Norwegian Government will back up the currency by maintaining in its national bank (the Bank of Norway) a guaranty fund of \$50,000,000 and probably more in addition to \$80,000,000 in gold which Norway succeeded in getting out of the country ahead of the invasion.

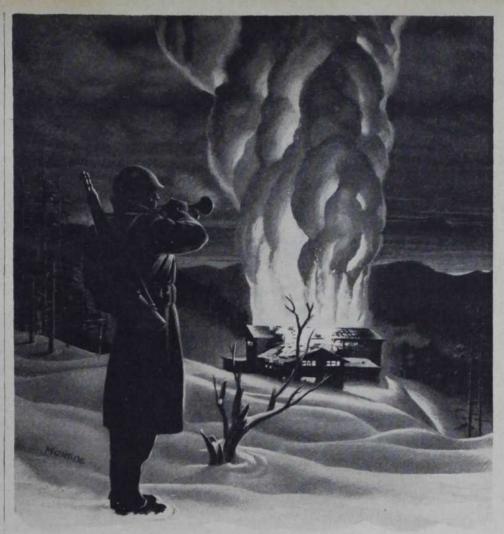
In the field of business, private enterprise will be encouraged to do the reconstruction job with as little interference from the Norwegian Government as possible.

For working capital—the initial purchasing power with which to obtain goods from the United States and other countries—the Norwegian business men will borrow from their local banks or direct from the Bank of Norway, giving what security they can. The local banks will borrow direct from the Bank of Norway.

Payment of the bank loans, however, must be guaranteed by the Government which, in turn, must obtain large and cheap loans from abroad.

In cases where Norwegian firms have established credit in America, they will, it is assumed, arrange to borrow funds here for long- and short-term self-liquidating undertakings.

With the currency stabilized, and armed with initial purchasing power, Norwegian business men will be able to buy the durable goods, machines, replacement parts, materials and supplies



## TAP DAY AT BERCHTESGADEN

SOMEDAY SOON you will hear, floating through the wooded crags of your mountain hide-out, the measured strains of American "Taps."

Our trumpets will be like the notes of those which made the wall of Jericho crumble, and you will be exposed to the righteous wrath of those you have tyrannized.

This day of doom for you, Herr Hitler, is the one for which every American lives. It is the reason for the extra push and skillful care being exercised at the Detroit Tap & Tool Company plant. Every Tap and Tool that we produce is our contribution to bring Tap Day at Berchtesgaden nearer.

The role of the Detroit Tap & Tool Company in helping to create war equipment of the highest efficiency may be best answered by a study of the great armament producing companies we serve—and the performance in battle of the materiel they produce. We feel it is a tribute to the quality, precision and durability of the Threading Tools we manufacture, and to the high standards we have set which these tools must meet.

You've done your bit-now do your best
BUY UNITED STATES WAR BONDS



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GROUND TAPS . GROUND THREAD HOBS . THREAD GAGES SPECIAL THREADING TOOLS AND GAGES



Cash on the line is an awfully important thing for every business concern.

If you pay cash for all needed supplies, you profit by the discounts you get and the lower prices.

COMMERCIAL CREDIT offers you a broad new service of engineered financing to take care of all your cash requirements, including loans to meet such special situations as:

- 1. To purchase other companies.
- 2. To buy out partners, officers or stockholders.
- 3. To retire bonds, mortgages, preferred stock or long-term loans.
- 4. To meet heavy tax and renegotiation liabilities and take advantage of tax-saving opportunities.
- 5. To purchase modern equipment—single units or complete plants.
- 6. To maintain adequate inventories.
- To increase working capital to meet wartime requirements.
- 8. To discount payables and establish preferred credit standing.

Our full service is described in detail in the new booklet "CAPITAL SOURCES." Copies are being sent to representative manufacturers and distributors.

At any time, one of our representatives will call at your convenience and help you plan financing to meet your requirements. No obligation. For an appointment, or for detailed information, write the nearest office listed below.

## Commercial Credit Company Baltimore

Subsidiaries: New York Chicago San Francisco Los Angeles Portland, Ote.

CAPITAL AND SURPLUS MORE THAN \$68,000,000

they must have to get under way. Then, as the wheels start turning again in their own land, they will have products to sell, abroad—pulp, paper, food, textiles, wood, whale oil, animal fats, metals, nitrates, etc. In time, their loans will be retired, their purchasing power will be strengthened, and their trading can turn more and more to consumer goods paid for with Norwegian money, goods or services.

To protect the exchange rate, the Norwegian Government will doubtless have to regulate the trade balance, at least, at the start. That will mean that no business man will be allowed to buy such a large quantity of any one particular item, that—by borrowing money with which to pay the bill—he would curtail other and perhaps more necessary purchases by other business men.

#### Depends on foreign trade

BECAUSE Norway's determination is to pay her own way in the postwar world, her reconstruction program will hinge on the building up of her foreign trade, selling her goods to the world to buy goods which she needs but cannot produce herself.

In cases where existing high tariffs now hamper the sale of Norwegian exports to the United States, Norway is hoping that a mutually satisfactory trade treaty, or trade reconstruction agreement in treaty form, can be worked out.

"This trade agreement," says Mr. Bull, "should include the mutual aims of the two countries for a certain period, say ten or 20 years. It should be in two steps: a preliminary plan to go into effect the day the enemy surrenders; and a final plan to be worked out and agreed upon within, say, a year after the war.

"War conditions, wartime organization and, in Norway's case, the fact that almost all our experienced business men, industrialists and shipping leaders were caught within Norway have, in some cases, resulted in an unsatisfactory situation and loss of good will," adds Mr. Bull.

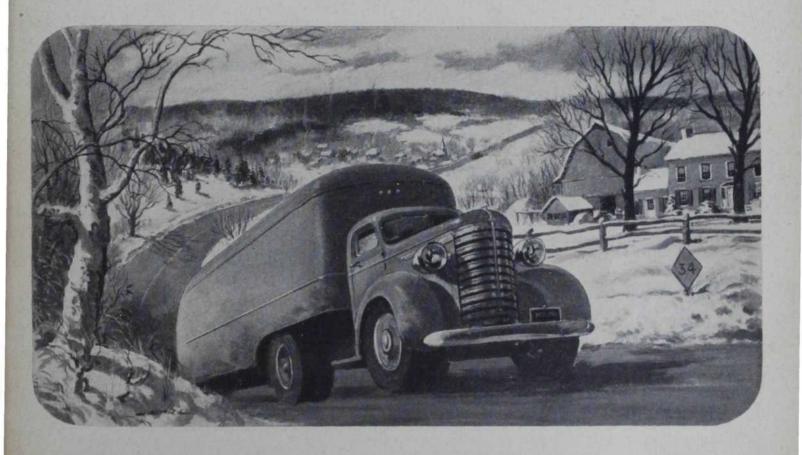
"Not the least important reconstruction work will, therefore, be that the business organizations on both sides of the Atlantic should come together and rebuild a foundation of mutual understanding and confidence.

"The differences, if any, are superficial and temporary and can, and should be, removed. But the ties that bind us together are fundamental and have their roots in our similar lives and aims.

"Norway's business and industrial organizations—Norges Industri Forbund (Industry Association), Norges Handelsstand (Trade Association), Norges Rederforbund (Shipowners), etc., will be ready to function and to work closely with America when peace comes.

"I hope that similar organizations in America are making their plans for carrying on business with us as soon as the enemy surrenders—and that may happen suddenly—any time now—and we should not again be caught unprepared when 'peace breaks loose.'

# THERE'S BEEN A CHANGE ON ROUTE 34



Now EVEN the hush of the snow-swept country-side is a casualty of war. Shattered by a cease-less roar and rumble. Trucks going on through. Trucks delivering the goods our fighting men need. They must get through. And they do . . . through sleet or snow.

For alert maintenance engineers know their responsibility. They know that, even through winter's worst, pavements must be kept bare. That only then are pavements safe for vital traffic humming along highways . . . hurtling down airfield runways. But in their battle against the elements, these engineers have an ally in the deadliest enemy of snow and ice . . . Sterling Rock Salt!

The biting crystals of Rock Salt bore like an auger through even the hardest packed snow or treacherous glare ice. Melting it . . . breaking it up for easy removal by scraper and plow.

This is far removed from salt's more familiar chores—helping to improve America's industrial production. There is hardly an industry that does not use salt. Many of the leaders use International's Sterling Salt. And for the best of reasons—either because of the superiority of its basic grades or because of the unique salt processes developed exclusively by International. Sterling Salt for every use—in industry, agriculture, the home. International Salt Co., Inc., Scranton, Pa., and New York, N. Y.

## Victory on the Red Tape Front

By HERBERT COREY

THE ARMY SERVICE FORCE developed business methods so that soldiers might fight instead of filling out papers

THE COLONEL tripped on a loose bolt on the deck of the flatcar. It was the war's luckiest trip. His elbow went through a rotten board on a huge crate on the flatcar's deck.

"That," observed the Colonel in Army language, "is deleted funny."

He shook the next board. Four more boards came off. Rust had eaten holes around the nails. Inside the crate was a big Army truck. Cost, perhaps \$10,000. Destination overseas. During the First War the Colonel had been attached to a transportation element in France. He had never been reconciled to the fact that never-used trucks had reached him by the score in such condition that he had to tear down two or three trucks to make out of the remnants one truck that would go. The Army calls the process "cannibalizing."

"This train doesn't move," said the Colonel, "until I look at these trucks."

There were 1,500 of them, all crated, all loaded on the flats. The Colonel's opposite number said the train must roll in an hour. The 1,500 trucks were needed overseas.

"I'll talk to Washington," said the Colonel. "This train doesn't move."

Not one of the 1,500 trucks was wholly serviceable. They had been standing, crated, for more than a year, ear-marked for shipment to China. But the Burma Road was no longer usable. In the desperate flurry of the first months of the war the trucks had been forgotten. They had been discovered when Gen. George C. Marshall created the Army Service Forces and put Lieut. Gen. Brehon Somervell in command.

Few civilians even today know anything of the ASF. Its business is to bring order into the previously uncoordinated buying and selling of the Army.

The ASF buys everything with the exception of certain items for the Air



The next time you see this insignia remember that the man who wears it is saving you money

Forces. The postwar selling has already begun. The ASF will handle much of that.

The combination of the Army's buying and selling makes it beyond any question the greatest business organization on earth.

#### A hint at what it does

IT PROVIDES chaplains, lawyers, doctors and shoemakers. It transports everything to the thousands of places where they are needed. To do so it employs trains, fleets, jackasses, jeeps, camels, cargo planes and outboard motors. It builds troop encampments equivalent to cities of 50,000 population, provides them with the utilities, hospitals, police, disposes of the garbage and provides mosquito killers. It arranges for train, boat and bus service so that men on leave may go where the entertainment lights are brighter.

It gets the tanks, half-tracks, Garand rifles, Long Toms, trucks, jeeps, and padded automobiles for generals. It makes or buys the material that the worthier neighbors get on lend-lease.

That is only the sketchiest hint of its activities.

When the ASF went to work, it found the Army swathed in red tape. A Circumlocution System had grown up during the years of peace. Everything went through "channels." Papers were typed in 20 copies. Each copy must be read, referred and initialed by some one or other.

"It took longer to get a garage door for a general than it does now to move a division."

Orders went out to the Army that places must be found where the red tape could be cut. Every soldier was free to make a suggestion.

Six thousand places were found where red tape might be cut, and 3,600 of the suggestions were acted on favorably. The telephone was substituted for much of the paper work and desk-to-desk calls were encouraged to get rid of letter writing. The Army's letter writers were told to forget the "departmental jargon" and use clear-cut sentences and short words. Samples to be avoided are:

Facilitate—administer—scrutinize. Exercise authority—relating to concerning

Study—effectuate—process
Covering—pertaining to—take action on.

"Do not use the phrases 'maintain liaison with' or 'maintain contact with' unless necessary. Avoid the use of two or more words meaning substantially the same thing, such as 'collect, compile, assemble and maintain.'"

That's enough to show the new spirit.

In 1942, the Army's seven technical services were assembled in the ASF team. Every one knows of them. A



## WHY MORE EMPLOYERS ARE ADOPTING

## Employee Pension Plans

A suitable pension plan, soundly financed, establishes more stable, more satisfactory employee relations. Here's why, logically—

- 1. It relieves employees from worry about financial security in old age by providing benefits supplemental to Social Security.
- 2. It provides automatic retirement which keeps the avenues of promotion open to younger employees.
- 3. It affords an effective financial consideration for employees without increasing free spending power—coinciding with governmental anti-inflation measures.

Such a plan creates an impelling incentive for long-time loyal service, increases efficiency and decreases turnover, thus reducing payroll costs.

A 90-page summary of the fundamentals of formulating and financing pension plans is now available. There is no obligation entailed in writing for this study, so write us now and have the facts when you need them.

## THE CHASE NATIONAL BANK

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AUTOMATIC COAL STOKERS

## cut tonnage burned, saving you fuel, manpower and money

TODAY you can help speed the coming of Victory by reducing the number of tons of coal you burn in your building or plant.

Iron Fireman stokers will do this job for you by replacing old-fashioned hand-firing

with modern automatic firing.

You will reduce operating costs. You also conserve labor in the mines, rail equipment, local trucking and boiler room manpower. You insure a dependable, ample steam supply, with pressure or building temperature automatically controlled.

Business men everywhere, facing fuel and labor shortages, are turning to Iron Fireman firing. A survey of your boiler plant, made without cost or obligation, will give you the facts—tell what an Iron Fireman installation will do for you. Our nationwide organization of experienced factory representatives and dealers is at your service. Write or wire Iron Fireman Manufacturing Company, 3454 West 106th Street, Cleveland 11, Ohio.



The cost of an Iron Fireman automatic coal stoker was more than offset by the savings in coal over an eight year period at Continental Lithograph Corp., Cleveland, Ohio, An additional amount of labor cost, equivalent to 50% of the cost of the equipment was also saved in this same period.



**Automatic Coal Stokers** 

general description of their duties is:

The Quartermasters Corps feeds and clothes the men.

The Engineers manage their roads and bridges and mines and supervise all construction.

The Ordnance Department provides the weapons.

Chemical Warfare Service provides gas and gas defenses.

The Signal Corps is responsible for all kinds of communications.

The Surgeon General's Office watches the Army's health.

The Transportation Corps carries men and supplies. They all fight.

#### Fighting against time

THEY had been independent and competitive.

In peacetime many agencies in the seven services received their powers and money direct from Congress. Lieutenant General McNarney, Deputy Chief of Staff, said that, even after the present war began, 40 major and 350 minor agencies reported direct to the Secretary of War. It was not possible to reform the cumbersome system immediately when we got into the present war. The Army was fighting against time in the effort to expand a force of 150,000 soldiers into today's 7,200,000. Prices went out of bounds. The services bought where they could-blankets, clothing, medicines, lands. Hotels were bought and hospitals built. Money meant noth-

The Army was making ready to meet the storm.

For reasons of convenience the country was marked off into nine Service Commands. Each was commanded by a major general and each contained many encampments where the men were assembled, trained, armed and eventually

assigned to their various units. Each had been autonomous, just as the seven technical services had been. It was desirable to preserve much of this autonomy, and yet subject all to a rule of overall law which would eliminate confusion, do away with competition, and make efficiency uniform. This overall law was vested in the ASF. Autonomy was not destroyed, but the Army's service forces became a team.

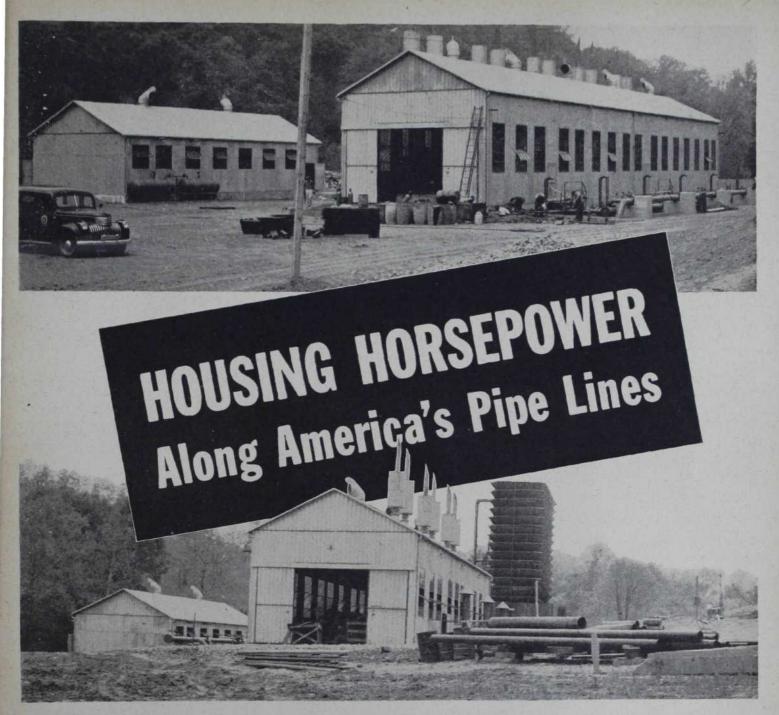
Somervell had certain advantages in dealing with this gigantic task. He is an Engineer, and the Army Engineers in peace times deal with business men and do business. They build docks, dredge rivers, improve harbors and the like. He had served as an Engineer in many enterprises and always with distinction. When the WPA in New York got into a terrible mess Harry Hopkins borrowed Somervell from the Engineers and told him to straighten it out. He needed to find out what it was he had been asked to straighten. He found John Witten, a young statistician with a passion for figures. In a short time Witten had prepared a book which Somervell couldand did-carry under his arm:

"What d'ye want to know?" he would ask the committees of worried citizens. "I can tell you. I have the answers right here."

When the Army's first tremendous drive to get the things so desperately needed—remember that, for 20 years the Army had been starved—slackened sufficiently to show that the next thing needed was order, Somervell was told to get order. He did a helpful thing. In the First War, the providing had been done by the Service of Supply. Somehow, the doughboy—in this war he calls himself a dogface—took an unwarranted distaste for the SOS. He closed his eyes to the fighting the men of the SOS did and only remembered that sometimes his chow didn't get there on time. He sang



"Don't bring it to me. Take it to your mother when she gets home from the plant"



Early in their development, when pipe lines were used for crude oil only, Butler Built Steel Buildings marked their cross country course. Today, the horsepower housed in steel buildings made in Butler factories is measured in the tens of thousands. At isolated sites on the growing pipe line network they protect millions of dollars worth of power pumping equipment which, in effect, moves distant oil and gas fields and refineries "next door" to centers of consumption.

In a score of other industries also, service records of Butler Built Steel Buildings date back more than 30 years. Factory fabricated for speedy, bolt-together erection, they lessen the overall investment. Structurally strong,

fire-safe, readily insulated, heated or air-conditioned—they permanently house space for practically every type of operation. Their section-unit design makes them easily adaptable not only to present needs, but also to changing needs later.

Out of a vast production for lend-lease and war, many far-reaching improvements are emerging. Before you build, particularly any structure rated essential to the prosecution of the war, consult with Butler Engineers.

## BUTLER MANUFACTURING COMPANY KANSAS CITY 3, MO.

GALESBURG, ILL. MINNEAPOLIS 14, MINN.
Sales Offices—Washington, New York, Chicago, Atlanta, Shreveport.
Export Office—8 So. Michigan, Chicago.





HERE are a few of the features we bespecifications when you plan your boiler room and steam generating facilities for your industrial plant in the post-war world:

- a "show place" boiler room free of dust, ashes, clinkers, coal piles, litter and congestion.

- no high, costly, smoke and soot-belching stack.

- no huge, ponderous boiler that requires numerous workers to wheel ashes, clean flues - keep it operating.

no questionable efficiency resulting in high fuel costs.

In keeping with these requirements you

will, without doubt, specify a Cleaver-Brooks oil-fired steam generator — 20 to 500 H.P. at better than 80% efficiency, pressures 15 to 200 lbs., according to your steam needs.

In no sense "new" or "revolutionary," Cleaver-Brooks steam generators have been tested by years of successful operating experience in hundreds of progressive industrial plants and in all branches of the military services.

Steam generators - modern, efficient are an important division of Cleaver-Brooks manufacturing activities - now keyed to the needs of the nation at war. For the needs of a world at peace we are maintaining a continuing program of product research and development.

## Cleaver Broo

MILWAUKEE 9,

WISCONSIN



CLEAVER-BROOKS PRODUCTS INCLUDE:











Steam Generators Food Processing Equipment Tank Car Heaters Oil & Asphalt Heaters Special Military Equipment

with great gusto a ribald little ballad:

"Mother, take down your service flag. "Your son's in the SOS."

Hence the change of the name to the ASF. Witten had been Chief Statistician in the offices of Quartermaster General Gregory. Somervell took him over. He is now Lieutenant Colonel Witten. Mark Cresap was picked from business as head of the Division of Administrative Management. He is now Lieutenant Colonel Cresap. Other men were called in from such business concerns as Sears Roebuck, International Business Machines, General Mills, Lehman Brothers, Bell Telephone, American National Bank of Chicago, John B. Stetson, American Meat Packers Institute, and Marshall Field. These are all great establishments, the men were key men. and were accustomed to quick decisions and decisive action. The 40 or 50 key men in the ASF average about 36 years old. There is no prejudice against older men but few can stand the racket.

#### New system installed

THE first decision was that the ASF was too big to be managed from Washington: One man cannot sit at a desk and see everything. The ASF was decentralized, by Somervell's orders, and a new system erected. The system is not new in business, of course. A great corporation gives its division chiefs responsibility and power and holds them responsible for results. The various elements of the seven technical services and the nine Service Commands were informed of the new system and, after the bugs were worked out, began to make it tick.

The Control Division overall set up 250 control divisions in the seven Services and the nine Service Commands and the almost innumerable depots and arsenals and ports. The Control Division has no direct administrative authority. It issues no commands. It sees that the various commanding officers get full information on what is going on in their commands. Confidential monthly reports are made on such subjects as manpower, procurement, and the like. Digests from these reports move upward through channels until they finally reach Somervell.

"Give me only what I can absorb," is his order.

Sometimes the Control Division suggests policies to General Somervell, sometimes it criticises those in force. It has asked for changes in statutes, the directives issued by other authorities, and in regulations. The business of the Control Division is to get before Somervell every bit of needful information with such comments as may aid him. They have in turn gone over the desks of Brig. Gen. Clinton F. Robinson, director of the Control Division, and Maj. Gen. W. D. Styer, Chief of Staff.

Studies of work simplification have resulted in the elimination of 649 forms, records and reports and 491 duplicating functions have been abolished. The Philadelphia Signal Corps Procurement district now handles 425 items daily as compared to 250. One program alone re-



THE SPIRIT of the Automobile Pioneer . . . still leads us on.

The infamy of Pearl Harbor found the Automobile Industry ready. Scarcely had the smoke cleared before it was changing over its production lines—where necessary building additional factories in swamps and open fields.

There was no such word as "Impossible"!
Competition was adjourned! Patents
pooled! Men and Management, with the
smell of hot oil in their nostrils, raised
their voices in earnest collaboration above
the roar of furnaces and the scream of

steel on steel-it could, it would be done!

Lucky for America, lucky for all the world, that someone had worked out the magic of mass production! That someone had the needed production capacity ready! That somehow there were millions of skilled workers ready, eager and able to hurl back the Axis' challenge.

Jeeps, trucks, all manner of motorized equipment rolled off the production lines! Countless tanks roared into battle! American-built planes blotted out the sun! The miracle had happened! In one year we had passed the Axis, in spite of its 16-year start on us! To this undreamed of avalanche of production, spear-headed and inspired by the Automobile Industry, our enemies can now have but one answer:

"UNCONDITIONAL SURRENDER!"



HOUDAILLE\* cherishes its long and close association with the American Automobile Industry—and will strive increasingly to hold a growingly honored place in its ranks.

### HOUDAILLE-HERSHEY CORPORATION

Executive Offices - Detroit

Manufacturers of precision parts and equipment for the automotive, aircraft, railway, maritime, electrical refrigeration, radio, and other industries

10 1943, HOUDAILLE-HEREHEY COMPORATION

\*Pronounced: "HOO-DYE"



## Let's Face It... There is no SANTA now!

• f all the gifts in all the world, there's only one that haunts our hearts and minds this Christmas. One gift, doubly longed for because it has been so long denied us.

#### PEACE!

But there'll be no Peace without Victory, and Victory is never a gift. We won't find Santa Claus popping down our chimney with Victory wrapped in a pretty red ribbon, while "visions of sugar plums dance through our heads." Victories are bought and paid for.

Some pay the price of sacrifice and sorrow . . . some of us are spared. But on every one of us, in fullest measure, falls the priceless privilege of paying all we can.

That's why we say, "This Christmas, make your gift the promise of a brighter, better day." Ohmer Register Co., Dayton 1, Ohio.

GIVE WAR BONDS! ALL YOU CAN!



CASH REGISTERS for every type of retail store FARE REGISTERS and TAXIMETERS for transportation TOOL CONTROL REGISTER SYSTEMS for industry sulted in the reduction of 15,615 in personnel. There were 1,500,000 military personnel and 1,000,000 civilians in the ASF. Already 105,000 have been dropped from the rolls. The 15 gangs unloading freight in New York Port of Embarkation were reduced 30 per cent. One three part form was substituted for ten shipping tickets, packing lists, tally-ins, tally-outs, and hatch tallies previously used. Shipments go out accompanied by complete papers and there is no longer any guessing on the other side as to what cargo is in the holds. General Marshall has praised the operations of the ASF:

"Very impressive," he said.

Somervell has issued an informal standing order:

"Don't eliminate red tape. Tear it out by the roots."

#### Buys 700,000 items

IN ITS buying, the ASF deals with 700,-000 items, 50,000,000 pounds of food each day, innumerable ships and trains. It keeps its merchandise in warehouses which equal in floor space 80 Empire State buildings. In the United States alone it has built barracks which would house the populations of Chicago and Detroit. It operates a chain of 1,000 movies in the western hemisphere alone. More than 500,000 prime contractors and almost 1,000,000 subcontractors deal with it. The supplies it has bought range in weight from port cranes to black widow spider webs.

This buying is going on constantly. Now the postwar selling has begun.

The ASF will do some of the selling. No one knows how much. Every one realizes that, if the selling is not well

directed, the confusion that followed the First War will be repeated. The United States gave away millions of dollars worth of prime material then. Other millions were sold at bargain prices which for a time almost crippled the retail business men of this country. Shoes were on sale at two dollars a pair, woollen shirts at a dollar, underwear for about what the buyer wanted to pay. Fine rifles could be had at one time for \$2. Machine guns which were to be so useful in the prohibition era to come were exhibited with price tags attached on Pennsylvania Avenue.

The recollections of this shameful period are still vivid.

The ASF has sold some things, which are obsolete or which have been overstocked, and has traded thousands of other items between the services. But, when the big postwar selling begins, some machinery

must be set up to handle it. The ASF has scheduled thousands of items-not necessarily obsolete now but which will be when the war is over-so that it will know where it stands. There is a plan afoot to set up a selling unit in the Office of War Mobilization, which must of necessity work closely with the ASF. The Administration is backing a bill now in Congress which would give legal endorsement to the President's plan to lodge policy power on surplus property disposal with the Budget Bureau. This might make it possible for the Executive to give away arms and other material to deserving small nations after the war. A Federal Property Utilization Branch has been set up in the Treasury Procurement Division for the purpose of disposing of the goods that no one needs. The Navy and the Maritime Commission and other agencies and departments may put in claims for desired items.

An "item" in war may be numbered in the millions and weigh hundreds of thousands of tons.

At this moment the postwar selling plans are in a state of high confusion. But no one knows when the war will end. Nor does any one know what will be surplus or obsolete. The present effort is to work out some coherent plan for selling, and, in that plan, the ASF must, of necessity, play a great part.

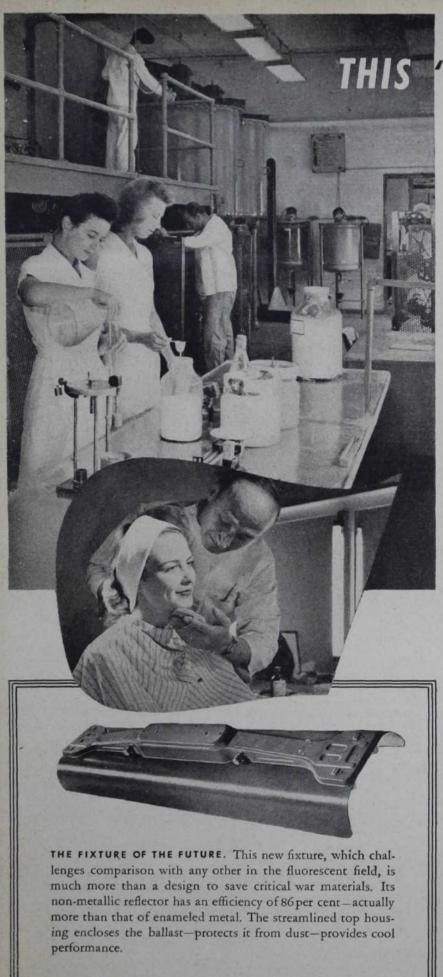
Nothing on earth is more wasteful, confused and extravagant than war, but the ASF under General Somervell has been trying to attain something like business order.

Next time you see a young man wearing on his sleeve a blue star scalloped with white and ringed with red look at him. He's one of the ASF.



"I haven't the money. I thought the Government allowed everyone \$200 worth of repairs!"

NATION'S BUSINESS for December, 1943



INCANDESCENT LAMPS, FLUORESCENT LAMPS, FIXTURES AND ACCESSORIES, RADIO TUBES, CATHODE RAY TUBES, ELECTRONIC TUBES AND DEVICES

THIS "POWDER ROOM"

knows no noses

The coating of powdered phosphors inside a fluorescent lamp must be smoother than the powdered nose of the loveliest star in Hollywood.

At Sylvania, there is a "Powder Room" dedicated to microscopic smoothness. Research engineers have developed special methods of grinding, milling, and blending micro-fine "powdered daylight" which is vital to the electro-chemical production of cool, shadowless, and glarefree fluorescent light.

They "baby" these powders through a series of painstakingly exact processing and inspection steps. The smoother the coating, the more uniform are the light output and color from end to end of the fluorescent lamp.

Ten years of independent and aggressive research by Sylvania have contributed importantly to the widening use of fluorescent lighting for precision production in war industry. This same research will also supply the American homes of the future with the most efficient and economical lighting known.

For smoother coating, more light output, longer life, and uniformity of color, specify Sylvania Fluorescent Lamps — for initial installations and replacements.

## \* SYLVANIA

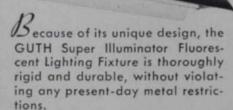
ELECTRIC PRODUCTS INC.

500 FIFTH AVE.

NEW YORK 18, N. Y.



## The Newest and Best In Fluorescent Lighting



Die-stamped from a single sheet of steel, the Top Housing is attractive, simple, practical—a sleek, efficient unit that does the job right! The Masonite "Reflector Board" Reflector is formed in our own plant, and finished "300" White" for high lighting efficiency.

Attack darkness—the enemy of production—with light—with GUTH Super Illuminators! Write us today for detailed Bulletin.



## Washington War Survey

From the Records of the U.S. Chamber's

War Service Division

Controlled Materials—WPB announces establishment of central materials reserve from which, beginning with first quarter of 1944, all allotments of controlled materials for construction and facilities, except to certain specified military, naval and other programs, will be made.

Prices and Rationing—OPA places walnuts, almonds, filberts and pecans under price control • OPA amends fuel oil rationing regulations to permit issuance of rations for use in new fuel oil burners if new equipment replaces wornout burners and results in increased efficiency.

Cost of Living—President appoints five members of National War Labor Board as committee to investigate all phases of cost of living, report to be made within two months.

Food for Civilians—War Food Administration directs canners to release from contingency reserves 900,000 cases of peaches, 1,080,000 cases of peas, 810,000 cases of ketchup. Set-aside requirements for dried and split peas are removed, and reservation order on dry edible beans reduced by one-third.

Production—In October, merchant shipyards delivered 163 cargo vessels aggregating 1,675,311 deadweight tons, bringing total 1943 deliveries to 1,524 ships totaling 15,501,624 deadweight tons, announces Maritime Commission • WPB Chairman reports production of all types of aircraft reached new high of 8,362 planes, including largest number of heavy bombers ever produced in one month.

Petroleum Products—Petroleum Administrator reports daily delivery to fighting forces of more than 50,000,000 gallons of all types of petroleum products.

Natural Gas—Office of War Utilities bans delivery of natural gas this winter to industrial consumers in states of Ohio, Pennsylvania, New York, Virginia, West Virginia, Maryland, District of Columbia and part of Kentucky, who can operate at capacity by burning residual fuel oil.

Tire Replacements—Commercial vehicles which deliver medical supplies, drugs, laundry, dry cleaning and essential foods made eligible to receive used passenger tires and used truck tires of sizes smaller than 7.50-20 to replace tires no longer serviceable, says OPA.

Navy—Navy reports more than 100,000 Seabees now serving overseas; almost same number in training • Recruiting officers instructed by Navy Department to enroll, in non-restricted manpower areas, skilled craftsmen for service with ship repair units at sea or advanced bases.

Dependency Allotments—Director of Office of Dependency Benefits announces that soldiers' dependents must fill out and return as soon as possible a new one-page certificate in order to receive increased allowances.

Canada on Food Board—State Department announces acceptance by Canada of membership on Combined Food Board.

Wages and Salaries—NWLB exempts country grain elevator establishments employing not more than eight persons from applying to Board for approval of wage and salary increases, even if constituting part of chain employing total of more than eight persons.

Ruling on Fair Work Order—President orders that all contracts made by Government with private manufacturing or service firms must contain clause barring racial discrimination.

Food for Shipyard Workers—Maritime Commission announces plants to provide better food and feeding facilities for shipyard workers on the job.

Sale of Surplus Materials—Navy reports arrangements for establishment of approximately 12 offices to facilitate merchandising, on the open market, of all salvage and surplus property no longer of any use to Navy or other government agencies.—E. L. BACHER

## Business Boners



## The closed (?) corporation

A CLOSED corporation is often thrown wide open by the death of a principal stockholder. The good of the business which was his career is not his widow's concern. Dividends, uninterrupted and generous, are a desperate necessity for her.

Her stock entitles her to his place on the board. But neither she nor the executor of the estate can take her husband's place in the management. However well-intentioned, these strangers to the management's problems are hardly in a position to know what is best for the business, and yet they have stock to vote.

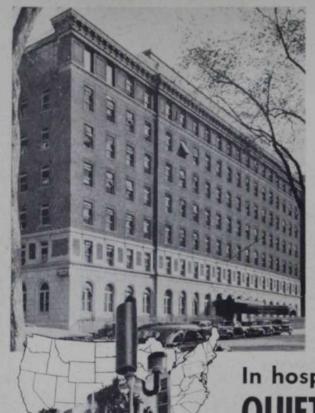
Don't let this happen to your business. It cannot happen if you have a stock purchase NATION'S BUSINESS for December, 1943

agreement and Northwestern Mutual Business Life Insurance to provide the money.

Under such a plan, the widow's interest may be liquidated on a basis fair to her and to the business. This life insurance has a steadily increasing cash value which provides a valuable surplus account—a not unimportant factor.

Now, as a business man, you will want to make the very best life insurance investment. Then, remember, that the difference between life insurance companies is significant. Before you take action, do two things . . . (1) see a Northwestern Mutual agent; and (2) check with any of our policyholders, for they can tell you, better than we can, why no company excels Northwestern Mutual in that happiest of all business relationships . . . old customers coming back for more.





In hospitals

## **QUIET EXHAUSTS** ARE IMPORTANT

A self-contained Diesel plant offers advantages to a hospital, just as in many other types of installations. Requirements for quiet, however, are most important.

The Mt. Sinai Hospital in New York City is only one of those having Diesel engines equipped with Burgess Snubbers-the modern means of eliminating exhaust noise complaints. Burgess Battery Company, Acoustic Division, 2823-F W. Roscoe St., Chicago 18, Ill.

Burgess Snubbers are providing quiet exhausts from coast to coast. A few

In Industrial Plants, too

typical plants are:

Ice plant, Tuckahoe, N. Y. Envelope company, Chicago, III. Dye works, Woonsocket, R. I. Laundry, New York, N. Y. Pumping plant, Ventura, Calif.

These plants make good neighbors, because their Burgess Snubbers eliminate exhaust noise nuisance.

Originators of Snubbing Principle for Quieting Diesel Exhausts

## DIEZEL EXHAUST KLEZZ



BACK THE ATTACK BUY WAR BONDS

### Property, the Basic **Human Right**

(Continued from page 27) in the army. Within a plant there cannot be a majority vote on the rate of production or a poll on the acceptance of difficult contracts. The Russians began to run their state industry in much that way and soon gave it up.

But the fact that, in the privately owned economy, property rights are widely subdivided means that no employer's discipline over his employees is absolute or need be permanent. When (in peace time) John Doe finds it impossible to endure the tyranny of a bad employer, he can move on to the property and into the employ of a good employer.

The careless thinkers argue that the cure for the tyrannies of a bad employer is state control of industry. Their cure for evil limited in extent by property rights is thus greatly to extend the area in which this evil could operate by surrendering enterprise to the total power of the state. When that occurs, the man who thinks himself ill-treated can't change his employer because his employer controls all the jobs there are.

The assumption of the shallow thinkers, of course, is that the state as employer will invariably be benign, but the benevolent tyrant is the exception in the long and bloody story of tyranny.

If industrial discipline is to be exerted then-and decidedly it is-its exertion via the agencies of private property cuts down the chances of its abuse. The cure for the tyranny which the private employer visits on John Doe is not to turn industry over to the Government but to hold faster than ever to a system of property rights which limits the scope of the tyrant's power.

#### Concentration of power

THAT is the essence of the matter: Private property is to the concentration of power what water is to fire. Power, in the only real sense there is, is control over physical objects. It is the power to give or deny sustenance to men, the power to apply or withhold from their backs the slave-driver's whip.

Such control over the things men live on and by and with, if concentrated in a single hand, is monstrous and terrifying.

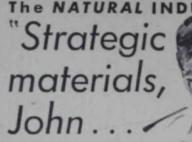
But private property atomizes the control over physical things. It cuts such power into a billion little pieces and builds those pieces into a vast system of mutual set-offs, into a pattern of competition of private man against private man, and private men against the Government. Private property gives the tyrant only a relatively small scope for his tyranny. But it also gives the good man a secure place within which to practice his wisdom and his kindness. It guarantees, indeed, that the good man, as he prospers, will be able to expand the little dominion in which the John Does in general may enjoy the

## As Smooth as a Waltz

The full, fine flavor of Schlitz is loved all the more because it is neither harsh nor bitter. Brewed with just the kiss of the hops, America's most distinguished brew achieves the smoothness so greatly desired by those who want fine beer without bitterness.



THE BEER THAT MADE MILWAUKEE FAMOUS



"Strategic in war, strategic in postwar...that's why I'm interested in Metropolitan Oakland Area. It's the logical industrial center of those Eleven Western States where most of our raw materials come from.

"Why ship those materials east, and then pay big freight charges to get our finished goods back to the Coast markets? We'll make our stuff out there!

"John, we've got to get our Metropolitan Oak-

MAGNESIUM, chlorine, chrome, manganese, tungsten, rubber, lumber, cotton, steel, and many more are produced in the West.

Add most central location in relation to huge markets...most favorable distribution costs...unexcelled factory sites...enormously increased hydroelectric power...a great reservoir of skilled labor...and you begin to get the outline of our story.

Why not ask us to fill in the details? In a Special Survey directly applied to your particular operation.

METROPOLITAN OAKLAND AREA 389 Chamber of Commerce Building Oakland, California 2311

BLAMEDA - ALBANY - BERKELEY-EMERYVILLE - HAYWARD - LIVERMORE - DAKLAND - PIEDMONT - PLEASANTON - SAN LEANORD - RURAL COMMUNITIES OF ALAMEDA COUNTY





## Too IMPORTANT to be OVERLOOKED... And postwar

planners are not overlooking the industrial expansion now taking place in the Central West and Southwest served by Missouri Pacific Lines. They know that the same factors responsible for tremendous war production - raw materials, climate, fuel and power, labor supply and transportation—will work as effectively for peacetime business and industry.

This territory has been thoroughly surveyed by Missouri Pacific industrial engineers who will be glad to supply accurate data on available plant sites and areas most promising for expanding bus-iness and industry. Your inquiry will receive prompt attention; write or wire

J. G. CARLISLE Director Industrial Develo 1710 Missouri Pacific Bldg St. Louis (3), Mo.



The NATURAL INDUSTRIAL CENTER of the WEST benefits of his qualities. Indeed, it offers a way for John Doe himself to get property of his own.

And just as private property checks and balances the private man against the private man, so it checks and balances government, which is another company of men, against the whole community of men. It guarantees that government will keep within the narrow area laid down in the Constitution. It sets a limit beyond which the police, the soldiery and the bureaucrats cannot penetrate. Above all, by giving the private man command over certain physical objects, it puts a weapon in his hands by which to hold government to its pledge that faiths will be respected. homes held inviolate and freedom in general kept free.

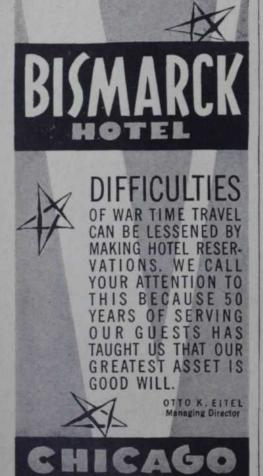
Nor does the emergence of big business in any way alter the argument. Everything that can be said of the business run personally by the individual proprietor 100 years ago applies to today's corporate enterprise run by hired management and owned via a vast diffusion among the public at large of paper documents called stock certificates.



### For Young Canadians

To make it easier for mothers of young children to work in Canada's war plants, the federal and provincial governments are together supporting a chain of day nurseries.

Shown here is a voluntary worker (in her uniform with its special crest) and one of her young wards at the nursery in St. Catherines, Ontario, where the General Motors subsidiary, McKinnon Industries, Ltd., is located. Nineteen government nurseries are already in operation in Ontario and Quebec and others are to be opened shortly in western Canada.



## The Unpredictable Stockholder

(Continued from page 26)

the legislation acknowledged had an excellent record by the standards of the proposed reform law, took pains to inform its stockholders about the pending legislation threatening their interests, and only one in 70 took occasion to write. Less than half of those who did writeor three-quarters of one per cent of the total number of the company's stockholders-indicated that they were writing or wiring their opinions to their Senators and Representatives in Congress. Of those who wrote the company, one in 25-one-sixteenth of one per cent of all stockholders-said they were in favor of the legislation.

Stockholders are not a class apart. They are the same persons who have savings accounts and who buy life insurance policies and war bonds. Only a

few are speculators.

They buy stocks for different reasons. A maid who worked for a family in New York bought 15 shares of the preferred stock of the company her boss worked for. She got a gilt-edged stock of \$50 par value at \$30 per share with a \$3 annual dividend, a return of ten per cent. And she was astonished when her first dividend check arrived; she thought that buying stock was just a nice safe way of keeping her money so she wouldn't spend it—and here they were paying her for keeping it.

The average stockholder is the "little" man or woman who owns from five to 100 shares—sometimes as few as one

or two shares. Most companies have found that at least three-quarters of the stockholders on their lists own on the average fewer than 100 shares each. There are the "average" stockholders, backbone of American business and industry, buyers of widely distributed securities. Unfortunately they usually regard stock ownership, not as property in the same sense as houses and lots, but as investment for dividends and possibly capital gains.

#### Why reduce dividends?

THERE is a couple in Connecticut who own a few shares of stock in several companies, all bought on their own budget plan, all for safe investment return and not capital gain. The woman of the house manages these investments and carefully tags the income in her household budget. A drug company happens to pay dividends monthly so by budget allotment she simply endorses the two-dollar monthly check over to the garbage man whose fee for service is just that amount.

She says this simplifies matters, and saves check-cashing charges at the bank. The garbage man has been getting his endorsed check regularly, but the woman has been distressed because she has been getting smaller or less frequent checks from some of her companies. She doesn't like this because it disturbs her budget arrangements. She can understand people getting cuts in wages and

salaries some times, but why should companies reduce dividends in wartime when they are doing more business than they ever did?—especially when wages and salaries are

not being cut!

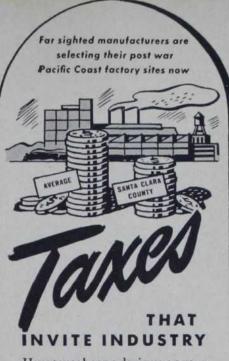
It was suggested to her that perhaps the company reports gave some clue. She had not read the reports. What good was all that? She and her husband had bought these stocks to get dividends; they were not interested in market quotations, or in the details of the companies' operations, what the companies paid out in pay roll and taxes and what they did about this and that—all that was for the managements to worry about.

This woman may not be a typical stockholder, but she expressed a point of view which is not uncommon. She was not interested in the fact that she and her husband were part owners of the companies whose stocks they held. It happened that they also owned some bonds, but bonds and stocks were all the same to her.

"What difference does it make?" she wanted to know. "Don't they run the company? My little vote isn't worth any-



"I am sorry, madam, but we accept only employees' complaints against customers"



Have taxes been a drain upon your business? The current tax rate in Santa Clara County is the second lowest in the State of California. The County's bonded indebtedness is the lowest in the State. And San Jose, the County's largest city, has the lowest rate of any comparable city in the West.

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Yes! You can produce economically in Santa Clara County—and efficiently too. Manufacturers tap the greatest electrical power pool in the world. There is abundance of natural gas and water. Labor is plentiful and willing. Transportation by water, rail and truck line. And location . . . in the center of Coast population, and adjoining San Francisco Bay . . . makes Santa Clara County the logical spot for your Pacific Coast plant.

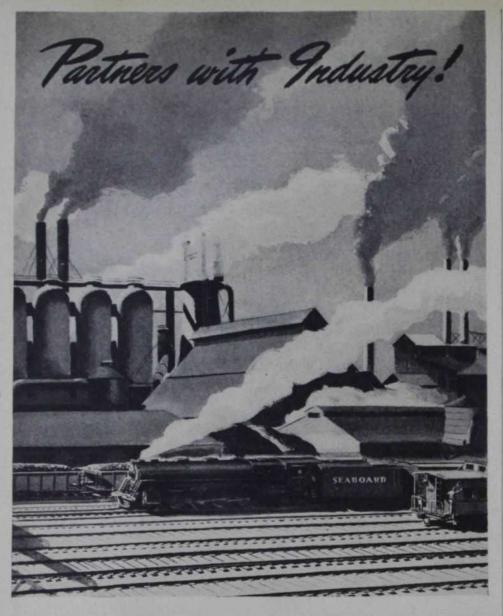
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Get the facts! "Post War Pacific Coast" presents the factual story of Santa Clara County. Write for it today

DEPT. N

SAN JOSE CHAMBER OF COMMERCE SAN JOSE, CALIF.





The railroads of America are backing industry to the limit in the war of production. Only the close coordination born of a common cause could result in the extraordinary achievements of transportation and industry since the war began.

For many years the Seaboard Railway has recognized the interdependence of industry and transportation. On the established principle that the welfare of the railroad depends upon the prosperity of its patrons, the Seaboard has been working over a long period of time for the economic development of the territory it serves.

The Seaboard's interest extends beyond the location of new plants. It is equally concerned with the success of all industry served by its Line. Its policy is to provide adequate service and to adjust the freight rates on raw materials and finished products to enable these industries to compete with similar industries whether located in the South or elsewhere.

Remarkable progress has been made in the industrial development of the South in recent years. Present indications point to further expansion in the post-war period.

Seaboard will work in the future - as in the past - as Partners With Industry.

BACK THE ATTACK WITH WAR BONDS

ONE OF AMERICA'S RAILROADS . ALL UNITED FOR VICTORY

thing. Besides, the officers aren't interested in us; they pay themselves fat salaries whether the company's paying dividends or not."

The Securities and Exchange Commission has been trying to solve the problem of the "little" voter for years. That problem will be solved not by Commission rules and regulations as such-only by intelligent interest expressed by individual stockholders. Intelligent corporation executives know this so, far from ignoring the "little" stockholders, they coddle them.

They know they can depend upon the big stockholders to analyze barance sheets and income statements, but that they have to lay it on the line in words of one syllable for the "little" men and women.

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY
THE ACTS OF CONGRESS OF AUGUST 24,
1912, AND MARCH 3, 1933, of Nation's
Business, published monthly at Greenwich, Connecticut and Washington,
D. C. for October 1, 1942. D. C. for October 1, 1943.

wich, Connecticut and Washington, D. C. for October 1, 1943.

City of Washington, County of District of Columbia, ss. Before me, a Notary Public in and for the State and county aforesaid, personally appeared Merle Thorpe, who, having been duly sworn according to law, deposes and says that he is the Editor of the Nation's Business, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management, of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, as amended by the Act of March 3, 1933, embodied in section 537, Postal Laws and Regulations, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business manager are: Publisher, Chamber of Commerce of the U. S. of America, Washington, D. C.; Editor, Merle Thorpe, Washington, D. C.; Managing Editor, Paul McCrea, Washington, D. C.; Business Manager and Assistant Editor and Publisher, Lawrence F. Hurley, Washington, D. C.

2. That the owner is: Chamber of Commerce of the United States of America, said body being an incorporated organization under the laws of the District of Columbia, its activities being governed by a Board of Directors. The officers are as follows: President: Eric A. Johnston, President, Brown-Johnston Company, Spokane, Wash. Vice Presidents: William K. Jackson, Vice President, United Fruit Company, 1 Federal St., Boston, Mass.; Carl D. Brorein, President, Peninsular Telephone Company, P. O. Box 110, Tampa, Fla.; Roy C. Ingersoil, President, Ingersoil Steel & Discibin, Borg-Warmer Corp., 310 S. Michigan Ave., Chicago, Ill.; Bernard F. McLain, Secretary-Treasurer & General Manager, Hart Furniture Company, 1933 Elm Street, Dallas, Texas; Albert C. Mattel, President, Honolulu Oil Corporation, 215 Market Street, San Francisco, Calif.; Philip W. Pilisbury, President, Pilisbury Flour Milla Company, Metropolitan Building, Minneapolia, Minn. Treasurer: Elisworth C. Alvord, Alvord and Alvord, Munsey Building, Washington,

merce, U. S. A., 1615 H Street, N.W., Washington, D. C.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

MERLE THORPE
(Signature of Editor)
Sworn to and subscribed before me this 22nd day of September, 1943.

(Seal)

WALITER HARTLEY
(My commission expires August 15, 1947)

WALTER HARTLEY (My commission expires August 15, 1947)

Incidentally, big salaries cannot be paid indefinitely out of deficits. In the way of salary criticism, one company regularly received a letter from a stockholder in Rhode Island who also added after his signature his degree of Ph.D., the name of his college and the date of his graduation in the early nineties, together with the excoriating statement that he never was able to make more than \$2,000 a year and he therefore could not understand why the president of the XYZ Company, of which he was one of the small owners, was entitled to receive many times that amount.

#### Can't please everyone

TODAY, many corporation managements are trying to combat salary criticism by printing in their proxy statements not only the gross amounts of salaries of executives but also the net amounts after provision for income taxes. It's a good idea, but it will get nowhere with a stockholder who has been in the \$2,000 bracket since the early nineties.

All managements can hope for is a better yardstick, with the plea that able men are needed to manage important properties, and that the cost of maintaining competent management is relatively small on the bases of the size of the property and the number of shares of stock outstanding.

No management ever will succeed in pleasing all stockholders. But those managements that use every wise effort to inform them and to gain and preserve their understanding and support are making the most progress in stockholder relations.

Of course, they know that many stockholders throw company reports in the waste basket; but they also know they are getting new readers, and more discerning ones, every day.

Managements that are now pursuing this policy also realize that while stockholders en masse have yielded control to management, they could by persuasion abdicate in favor of government and that, in the meantime, they are worth cultivating as friends and supporters of private enterprise.

So management keeps on trying to educate by giving more and more information. How well they are doing is difficult to measure.

Several years ago a New York firm made a survey of stockholders, primarily to find out whether they understood the functions and responsibilities of auditors. First the stockholders were asked whether they read company reports; 81 per cent of the men and 69 per cent of the women said they did read them. To the question whether the reports were written in language the average stockholder understands, the surprising result was that 75 per cent of the women and only 56 per cent of the men said yes.

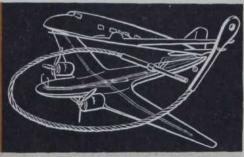
Surprising, indeed, if women—to whom the man of the house indulgently says, "That's something you wouldn't understand"—were to lead the way in a new birth of stockholder understanding.

## **NEW SKILLS WE HAVE LEARNED**

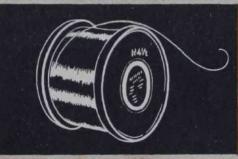
## For Now and Tomorrow



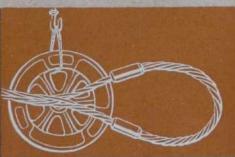
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Round, Flat Wire Division Woven Wire Fabric Division Suspension Bridge and Cableways Division

### When Industry is Mustered Out

(Continued from page 24)

This work is being completed at the rate of \$4,000,000,000 a month net, after allowance for new contracts placed. Measured in employment, something between 10,000,000 and 15,000,000 jobs are at stake in prompt termination settlements.

Labor has already proposed that sixmonths' dismissal wages be paid to workers released from war production. Such dismissal wages, if approved by Congress, would be covered in the final termination settlement to the contractor.

On settlements made thus far, the principle has been stated, but not always adhered to, that the contractor should receive full cash payment for all goods actually completed, regardless of delivery schedule. In addition, he is entitled to receive 85 per cent of the cash paid-out value for materials on hand—as distinguished from current market value at the day of settlement.

These terms, together with the mechanism of the VT loan and possibly the tax withholding privilege, would assure

a short-time turn-around operating fund. But they make no provision for settlement on special war plant and tools. Furthermore, these terms, as now applied, entail individual settlements on each contract, an inevitable source of administrative delay, accounting and legal log-jams, misunderstanding, friction. It is estimated that the termination procedures ultimately will touch at least 1,000,-000 separate claims, each to be investigated, negotiated, audited, certified and settled.

After World War I, the average contract settlement was made in two years in those cases where an agreement was reached, and three and one-half years, average, in those cases which fell into dispute for judicial review. To avoid this catastrophic interim, Congress has considered one suggestion to have the Government buy all undeveloped claims for cash, on an estimate basis, at the moment of the contract termination. This temporary settlement would be somewhere in the neighborhood of 60 to 75 per cent of the estimated value of the final claim, as submitted by the contractor, the balance to be paid at the time of the audited agreement.

Special provision also must be made for handling terminations of all contracts still in process of renegotiation. Where renegotiation still is open, the whole problem of basic cost and price obviously is up in the air. There then would be no beginning point for a termination settlement, save by some more or less arbitrary formula designed to

protect the contractor against a difficult and protracted case of frozen assets. Failure to provide adequately for this special type of case would entail terrific hardship for thousands of contractors still going through the renegotiation mill.

The experience of one war contractor, as related before the Senate Military Affairs Committee, illuminates the whole range of these acute business problems. To protect information of possible military value, the narrative is recited without identification of the contractor; but the president of the corporation told the story. We will call him Mr. Berry, of Cleveland. This electrical manufacturing business was established in 1906. The 1942 volume was about 31/2 times the best peace year. Wartime inventory, alone, exceeds the total capital value of the business. Abrupt contract termination, without arrangements for immediate liquidation of this inventory, would leave the company worse than bankrupt. About 400 jobs are immediately involved.

Now Berry has had some experience in contract termination. The Maritime



"That's Joe"

Commission cancelled a \$22,000 contract on October 5, 1942, just three days before the goods were to be delivered. On November 4, Berry presented his termination claim—\$6,900—covering actual cash outlay and commitments, minus usable inventory and scrap values. On January 2, 1943, the claim was referred from the Jacksonville office

of the Maritime Commission to the District Engineer at Philadelphia. Berry went to Philadelphia for a conference on January 14-15. He was told the claim appeared reasonable but that it "must be approved all up and down the line." Returning to Philadelphia, February 1, Berry found the regional engineer too busy to see him. Four months were gone.

On February 8, he received a letter at Cleveland offering a settlement of \$2,500. He asked for an itemization indicating how this figure had been arrived at, but received no reply.

On May 14, the Jacksonville Operations Office was transferred from the supervision of the Philadelphia District to the New Orleans District. On June 2, Berry received a letter from the district engineer at New Orleans:

"We know of no policy established by the Commission to arrive at termination settlements."

#### 53 weeks of red tape

ON August 2, Jacksonville again popped in, this time with a settlement offer of \$1,615. Berry then suggested that the claim be submitted to arbitration, but received no acknowledgment. On September 4, New Orleans advised him

that the dossier had been sent to the Review Section at Washington. On September 24, the Review Section advised him that no papers in the case had been received. On a visit to Washington October 12, he was advised that the papers finally had arrived, but that the Commission had decided to set up a new Committee on Review. There the matter stood 53 weeks and three days after the actual contract termination-all set to be reviewed by a Review Committee not yet created!

Happily, this \$6,900 claim does not embarrass a \$700,000 corporation with \$3,000,000 of war business on its books. But the chronology of this case (it's all in the Senate Military hearings for October 14, 1943) projects clearly what might be the plight of all American industry, should V-day arrive before establishment of clearly defined and soundly administered policies and procedures for contract termination.

Certainly it will not be the intention of government to handle the anticipated 90,000 prime-contract terminations on the Jacksonville-to-Philadelphia-to-New Orleans-to-Washington plan encountered by Berry. Yet, that is what almost certainly

will happen unless a termination program is set up to operate effectively for every type of case. Nobody in the military procurement agencies wants or intends to grind industry to pieces; but the fellow who unfortunately gets caught in the meshes of bureaucratic indecision never is saved by good intentions. Everybody who deals with gov-



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ernment knows the problem-"I can't find the fellow who has authority to make a final and binding decision.

"Everybody agrees my case is sound, and that I should have a decision. But A defers to B, and B is waiting on C, and C is palsied by pending legislation in Congress, or a recent decision of the Comptroller General. And here I hang."

#### Must avoid hardship cases

THE fact that nobody in particular is responsible for these hardship cases does not lessen the responsibility of both Congress and the White House to avoid them. Analogous cases have come to light by the score before the Price Adjustment Boards, in WPB material allocations, in OPA price and rationing controls. A new set of them now is on the way in contract terminations, unless government establishes machinery to avert the gathering disaster.

"I am not worried about this particular case," Berry told Senator James E. Murray, of Montana, Chairman of the Subcommittee on Contract Termination. "The amount is small. It entails no financial burden. But I am looking forward to the day when my desk will be piled high with these cases. I would want to know at least where to begin-Jacksonville, Philadelphia, New Orleans, or Washington."

Throughout his testimony, Berry affirmed repeatedly there had been no ill feeling in all these termination negotia-

"Everything was on friendly terms. Our only difficulty seemed to be that

there was no policy, no procedure, no final authority anywhere to conclude a settlement."

In support of his thesis the witness exhibited about seven pounds of correspondence accumulated over the year on this one cancellation.

To avoid these difficulties multiplied by thousands, the witness suggested that Congress should enact a termination program based on immediate cash settlements covering 75 per cent of the plant's war inventory as determined by some quick process certification locally, either through the military inspection officer, the regional contracting officer, or selected accountants acting temporarily as government agents.

Under such a plan, each settlement might be accomplished in ten days; would maintain employment, finance reconversion, freeze industrial stockpiles against distress liquidation, and provide turn-around room for the channeling of many war inventories to peace production within the same plant. With all, the 25 per cent margin would insure the Government against fraud, misrepresentation, and collusion pending the review, audit and certification of the final settlement by the General Accounting Office.

The urgency of some such interim settlement was demonstrated forcefully in the first report of the Senate Small Business Committee last July. At that time the War Department alone had cancelled 3,764 contracts.

"More than 2,300 of these are still unsettled. More than 400 cases have remained unsettled for more than six months. In only 44 cases has the War Department made advance payments and to prime contractors only.

This data reveals that only one contractor in every 90 got an immediate cash advance on termination.

"This means," the Committee's report continued, "that hundreds of prime contractors and many thousands of subcontractors have spent large amounts of money on government contracts for which they have not been reimbursed."

The War Production Board has been working for several months on a uniform contract clause covering termination. It would require existing procurement agencies to negotiate settlements directly with contractors. But the General Accounting Office has objected to this program, principally on the ground that termination settlements should be subject first to audit and review in line with routine fiscal procedures long established in the federal Government.

Should the General Accounting Office



"Yes, I manage to get along nicely on our shoe coupons"



Official U. S. Navy Photograph of fighter planes on a carrier deck

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prevail, all settlements, no matter how quickly negotiated, necessarily would pile up in Washington awaiting audit. On this point, Comptroller General Lindsay C. Warren would require the contracting officer to submit to the General Accounting Office with the settlement certification, "the record or evidence on which such settlement is based." Checks then would be held up pending individual review of each contract.

How long might it take the General Accounting Office to approve settlements on, say, 100,000 prime contracts and 1,000,000 subcontracts? Rather than plunge contractors into such a tangle of audit and review, government procurement officers probably would be disposed in many instances to allow the contracts to run to termination, thereby accumulating vast stores of unneeded equipment and delaying industrial reconversion to urgent peace needs.

Viewed from the standpoint of the larger national interests, the choice is a difficult one—on the one hand, industry continuing at top-speed in unwanted military production; on the other, stagnation, insolvency and bankruptcy during a six-months' audit and review interval at the General Accounting Office!

#### Companies will need cash

LET us apply this choice to a single industry-aircraft production. This industry produced, in 1939, approximately \$200,000,000 worth of goods, gross sales. The 1943 production will be \$20,000,000,-000 or about five times the all-time peak of U.S. automobile production before the war. Because of this terrific expansion, the principal airframe companies now report \$1.09 in current assets for each \$1 of current liabilities. (All other major war industries report about \$2.20 to \$1.) This margin of nine cents over liabilities represents the whole "conversion cushion" under several million jobs in the airframe industry. Testifying before the Senate Small Business Committee, Webb Wilson, representing the Aeronautical Chamber of Commerce of America, presented this picture:

"At the end of 1942, the average aircraft company had insufficient cash and accounts receivable to pay the amounts owed to its employees, suppliers and the Government. Worse, it did not even have enough quick cash assets to pay taxes and renegotiation refunds owed to the Government. It was \$20,000,000 short. This dangerous situation exists because these companies have been forced to put practically everything into inventories and have used their reserves for taxes due, for working capital. Therefore, at termination it must convert the greater portion of its investment in materials and parts into cash within a few weeks if it is to have funds to pay the balance of its current obligations and have a fighting chance to survive.

"This study also brings out that the typical (airframe) company has been called upon to expand to the point where, if it expects to survive, it must receive at termination pretty close to 100 cents on each dollar invested in material and



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Shall this industry wait in a sort of financial concentration camp while the General Accounting Office audits its termination settlements "on the basis of documents and evidence submitted by the contracting agencies"? That's the direction in which we are moving under existing administrative procedures, if Congress does not provide some emergency termination machinery.

There are, of course, some obvious physical limitations on the number of government contracts which can be audited in a given week or month. One of the most difficult practical problems touching termination is our old friend, Manpower.

#### Mr. Baruch takes charge

UNDER prevailing arrangements, with settlement authority divided between six procurement agencies, WPB, Treasury Disbursing Office, and General Accounting Office, we may be drifting into a situation in which vast industries would be stopped in their tracks while awaiting their turn before the overworked accountants and auditors!

On October 15, President Roosevelt issued a directive to James F. Byrnes, chief of the Office of War Mobilization, calling for integration and coordination of all contract termination proposals and procedures.

"While we must prepare for necessary postwar adjustments, this preparation must not interfere with the long and hard war programs which are still ahead of us," the President admonished.

Early in November Director Byrnes announced that the whole program of postwar contract adjustments had been turned over to Bernard M. Baruch, who had been delegated to act as top coordinator between all administrative and legislative agencies.

A vast pool of unspent appropriations already is on hand in the various military procurement agencies. As of August 1, 1943, our total war appropriations from June, 1940, were \$340,000,000,000. But only \$120,000,000,000 actually had been spent, and only \$150,000,000,000 actually committed in contracts. Thus, there is something like \$190,000,000,000 in uncommitted appropriations available, surely an adequate fund from which to draw promptly the \$20,000,000,000 for \$30,000,000,000 ultimately to be paid out in termination settlements.

So the funds are there, and the obligation for prompt settlement is recognized in every official quarter. Surely government can find a method quickly to bring these two basic considerations to flower in a sound and practical routine of termination settlements.

Can our federal bureaucracy come to grips in a business-like way with a problem of this urgency and magnitude?

Upon the answer may depend the solvency of vast segments of American industry, as well as the successful approach to our first problem in postwar survival and stability—jobs.



CRANES and PRODUCTION EQUIPMENT for FOUNDRIES, METALWORKING, AIRCRAFT, and

CHEMICAL PLANTS . SERVICE EQUIPMENT for RAILROADS, BUSES, and AIRLINES

## Land-Hungry Uncle Sam

By REED ADDISON

SIXTY different agencies and departments now acquire, control and dispose of real estate for the Government

"UNCLE SAM now owns, or will soon own, one-fifth of the entire land area of the continental United States."

So says the Joint Committee on Reduction of Nonessential Federal Expenditures of which Sen. Harry F. Byrd, Virginia Democrat, is chairman.

According to the Committee, the Government held, or was acquiring, 384,519,556 acres, as of January 31, 1943. In area, that equals all of Maine, New Hampshire, Vermont, Rhode Island, Massachusetts, Connecticut, Pennsylvania, New York, New Jersey, Delaware, Maryland, West Virginia, Virginia, North and South Carolina, Georgia, Florida, Ohio, Alabama, Kentucky and Indiana.

In value, the Committee estimates, these holdings—land and improvements but not counting equipment, supplies, furnishings or contents of buildings—are worth \$5,101,000,000.

Total value of all privately owned land and buildings in the United States today—estimated by the National Association of Real Estate Boards after a study of state tax commission reports—is \$165,000,000,000.

The Byrd Committee figure for government land value is not absolute. Some estimates are lower. Others reach \$8,000,000,000,

"Yes, there are records," says one responsible official, "but the Government has been acquiring property so fast lately, that it's almost impossible to keep up with it. No one knows certainly what the total is."

Whatever the total may be, it is large and the problems, new and old, growing out of it are already affecting the national economy.

The Byrd Committee's interest in federal real estate grew out of its investigations of government purchases of 12 hotels for the Army and two for the Navy.

The Committee offered the opinion



If all the land which the Government owns or is acquiring were in one piece, it would be as big as 21 of our Eastern states

that "purchases of hotels should not be countenanced until all other methods of acquisition of property are exhausted" since "such purchases may frequently be financially unsound as well as dangerous to the economic stability of the communities involved."

#### Each in its own sphere

PASSING from there to the general federal real estate situation, the Committee found, among other things:

Sixty different government departments, agencies and establishments now acquire, control and dispose of property.

"Each of these," says Comptroller General Lindsay C. Warren, "functions in its own sphere. None is equipped to assemble and correlate information on new land and property requirements, surplus property disposition, future utilization and the custody of the greatly expanded federal holdings."

An effort to "assemble and correlate" began in 1937 when the President appointed a special real estate committee. In 1939 the committee, by Executive Order, became the Federal Real Estate Board with instructions to "study and make appropriate recommendations regarding the situation in different communities adversely affected by the loss of tax revenue on land purchased or acquired by the Federal Government."

At the same time, the President requested the Secretary of the Treasury to cause to be maintained by the Procurement Division of the Treasury a permanent current record of all federal real estate. The assignment finally went to the Public Buildings Administration of the Federal Works Agency, and the various government agencies were asked to provide the necessary information for the keeping of proper records.

Neither the Real Estate Board nor the PBA has had much luck in obtaining current figures. Early this year, the Board was able to offer figures for the year ending in April, 1939. At that time, it said, the Government's real estate, which had cost \$6,447,407,000, had a fair market value of \$4,554,

543,000.

"The only way we can compile a report," said R. G. Church, Board chairman, "is to send out questionnaires to each agency asking for current information on its purchases and sales, and then putting the information together. We send out questionnaires—

but not all the agencies reply.

"They lack the necessary help and, in some cases, they themselves lack the facts because they can't get current information from their decentralized offices in the field. The field offices lack help, too."

From the information it had, and after studying carefully all the classes of real estate held by the Government, the Board recommended that the Government should:

- Continue to make contributions to state and local governments based on ownership of certain classes of real estate.
- Retain its long-established legal exemptions from the jurisdiction of local tax authorities.

The Federal Buildings Administration compiled figures up to June 30, 1940, but submitted them without conviction.

"We keep a general record of all real estate holdings," W. E. Reynolds, Public Buildings Commissioner, said, "but it is not down to date. It will take some little time to assemble the papers because we have not had the personnel to do it."

From its own investigations, the Byrd Committee estimates that Government real estate purchases or contemplated purchases between July 1, 1938, and March 30, 1943, totaled 43,181,183 acres—67,470 square miles. Total land area of continental United States is 2,977,128 square miles.

No one would say the Government had no right to acquire property to win the war. But the fact remains that the acquisition of all its additional real estate has created new problems for Uncle Sam and has enlarged and intensified old ones.

One old problem still on the books, still unsolved and bigger and more complex today than it was in 1939 (when the Real Estate Board was established to make recommendations for solving it) is the question of how to compensate state and local governments for loss of tax revenue on property held by Uncle Sam.

Tom C. Watson, assessor for Multnomah County, Oregon, told the National Association of Assessing Officers recently that, based on local assessments and millage rates, those lost taxes total \$91,051,374. If the federal Government should reimburse the states for this missing revenue, 26 of them would receive more than \$1,000,000 and all would benefit to some extent.

The states receiving more than \$1,000,000 are:

- 1. New York would receive \$8,856,000
- 2. California would receive \$6,476,000
- 3. Arizona would receive \$5,034,000

- 4. Montana would receive \$4,793,000
- 5. Iowa would receive \$4,178,000
- 6. Massachusetts would receive \$4,110,-000
- 7. Nevada would receive \$3,638,000
- 8. Pennsylvania would receive \$3,339,-
- 9. Illinois would receive \$3,095,000
- 10. Washington would receive \$3,088,000
- 11. New Jersey would receive \$2,902,000
- 12. Oregon would receive \$2,333,000
- 13. Idaho would receive \$1,979,000
- 14. Colorado would receive \$1,886,000
- 15. Virginia would receive \$1,582,000
- 16. Texas would receive \$1,581,000 17. Maryland would receive \$1.535.000
- 18. Wyoming would receive \$1,486,000
- 19. Ohio would receive \$1.344,000
- 20. Louisiana would receive \$1,320,000
- 21. South Dakota would receive \$1,299,-000
- 22. Alabama would receive \$1,297,000
- 23. Utah would receive \$1,209,000
- 24. Michigan would receive \$1,195,000
- 25. Florida would receive \$1,009,000
- 26. Minnesota would receive \$1,006,000

A new problem of no small proportions is how to dispose of surplus lands and buildings when peace comes, or when the Federal Government finds it has no further need of them.

Comptroller General Lindsay Warren, who is in a position to know how entangled Uncle Sam has become in his real estate, recommends that the functional activities of acquiring and disposing of federal real estate be transferred to a single facility.

"In this way," he says, "the various departments and agencies would be served in real estate matters in a manner comparable to the existing arrangements whereunder the Procurement Division of the Treasury Department is responsible for providing materials and supplies needed by the different agencies of the Government and for the disposal of surplus-material items."

The Byrd Committee agrees with the Comptroller General. The Committee has some other ideas, too. "In the interest of both efficiency and economy," these recommendations have been suggested:

- 1. That the Government agencies begin immediately to liquidate surplus holdings in land and real estate which are not needed for federal activities.
- 2. That a central unit be empowered to establish and declare standards and procedures for appraising, acquiring, abstracting, recording and disposing of all land and parcels owned and controlled by the Federal Government, and that consideration be given to the feasibility of assigning these operations to a central unit within the existing government machinery, in order to reduce inequity and lack of uniformity in government acquisitions.



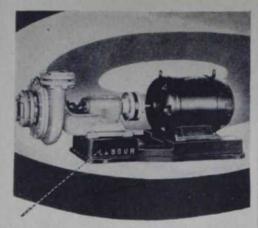
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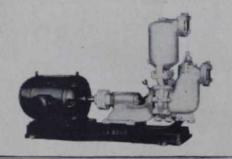
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## Streamlined Service Club



The Pittsburgh USO-Variety Club Canteen has everything from name dance orchestras to previews of the new movies

BECAUSE labor, capital and management combined their skills, Pittsburgh now boasts one of the finest USO centers in the country.

A soldier, sailor, WAC or WAVE with a few hours between trains in Pittsburgh can get a snack, a book and a comfortable chair to read it in, a shower, a comfortable bed, a dance, a variety show, a hand of bridge and some pleasant conversation—all within a few feet of the Pennsylvania Railroad Station.

The club, known as the USO-Variety Club Canteen, is directly across the Plaza from the station. The Pittsburgh Variety Club, a time-honored theatrical institution, has arranged that new dramas, new Night Club Shows, even new movies, coming into Pittsburgh are "previewed" at the Canteen. Name dance orchestras play on regular schedules.

The project came into being when the Pittsburgh Chamber of Commerce, USO and Variety Club decided to pool their interests to create better service for those in uniform. As plans were being made, it was decided to invite other organizations to participate. The reaction was terrific with these results:

Pennsylvania Railroad donated the land, light and heat.

The city gave free water and facilitated building permits, etc.

A.F. of L. Union Locals dug down into their treasuries for \$26,000 to provide Union labor to build the struc-

ture. C.I.O. Union Locals provided all furniture.

The furniture was selected and the interiors planned by members of the Philadelphia Chapter of the American Society of Interior Decorators.

The Pittsburgh women's clubs took full responsibility for food.

The grounds were landscaped and flowers and plants for interior decoration provided by the Pittsburgh Garden Club. The library is the responsibility of the Business and Professional Women's Clubs.

There are special quarters for women in uniform with showers, makeup tables and cots. There is a big dormitory for men. One of the main features is that the train announcers' voices from across the Plaza are "piped in" so that trains will not be missed. Huge check rooms have been provided and —what is important on military budgets—there is no charge for anything.

When the building was finished and furnished, it was decided to let the people view it for a few days. Frank L. Duggan, local Chamber president, and his committee beamed at the complimentary remarks. A man thrust a dollar bill into Mr. Duggan's hand and said, "Swell place. I would like to help." Mr. Duggan tossed the dollar bill into a huge brass ash tray, but it had hardly touched when others fluttered in on top. The 50,000 who viewed the building left \$5,000. When a newspaper reported this, the amount grew to \$32,000 mostly by mail.

## We Tour the

## HOME FRONT

Production of electrical indicating and measuring instruments essential to fight a mechanized war soared 3,900 per cent since 1940-from 700,000 to 28,000,000.

The motor industry is now producing aircraft equipment at the rate of \$11 .-000,000 a day-more than \$4,000,000,000 worth of airplanes, engines and aero equipment has rolled from the automotive industry plants in the past three years. And the physical output is even higher than dollar volume figures indicate because of the savings to the Government resulting from manufacturing efficiencies, price reductions and voluntary refunds.

Pulverized resin extracted from southern pine wood, a process developed by Hercules Powder Company, is smashing a serious bottleneck in sand. One foundry has cut monthly new sand requirements from 2,500 to 600 tons by its use.

Production of electronic tubes at the Westinghouse Electric Manufacturing Company is now 11 times as great as in

A Puratized process to prevent mildew in textiles, has been developed by Gallowhur & Company. Entire output is now used for millions of yards of duck, mosquito netting, ground cloth and shoe linings going to the armed forces. Civilians will have it after the war.

An electric motor powerful enough to hoist a destroyer completely out of the water and up to the height of a 15-story building all in a minute's time has just been completed by General Electric for Defense Plant Corporation's Utah Steel Mill operated by Geneva Steel Co.

Postwar application of aircraft hydraulics to other industries will be the study of a special Development Division of Hub Industries, Inc., Stamford, Conn.

Boys' ambition to be firemen now comes true in Kansas City, Mo., where they have employed more than 70 seventeen-year-old boys in the regular fire department as a means of keeping the city's fire-fighting force near adequate strength.

Output of dried eggs in 1941 was 7,-000,000 pounds. It has expanded to 235,-000,000 pounds in 1943. One pound of dried whole eggs is the equivalent of three dozen liquid eggs.

A road cleaning magnet developed by Cutler-Hammer, Inc., Milwaukee, covers a road span eight to nine feet and picks up metal making roads safer for tires. The metal collected is adding considerably to scrap heaps.

A "blaze blitzing" jeep equipped with a 500-gallon-per-minute pump operating from a 63-horsepower engine carrying 375 feet of rubber hose, built for quick dispatch to factory areas which cannot be reached by larger apparatus, is being used successfully to fight plant fires by Willys-Overland Motors.

Joe Wessiack went to work for Continental Screw Company, New Bedford, Mass., in 1907. He hasn't once been late or absent from work in the 36 years'

Manufacturing of aviation products has increased 4,900 per cent since 1938 at Bendix Aviation Corporation plants.

Glass container production this year probably will exceed \$93,000,000 gross, or 17.5 per cent more than last year's output. After the war, according to the Department of Commerce, annual production will be \$99,300,000 gross, representing a 39 per cent increase over 1940.

Tonnage shipped to General Eisenhower in the first eight months of the African campaign, was about the same as was transported to Gen. Pershing during the first World War, the Army Service Forces revealed.

Aluminum supplies for the fourth quarter will total 871,000,000 pounds, or nearly 100,000,000 pounds above the war program's needs, the WPB reported.

The 72,000 women working in General Electric Plants represent 38 per cent of all employees, and they number more than the total working force did in 1939.

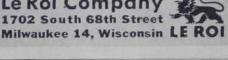
Enough tin plate was produced by U.S. Steel mills in 1941 to form a continuous 30-inch strip well over 1,000,000 miles long, sufficient to provide a giant tin girdle reaching 40 times around the world, according to K. W. Brighton, American Can Company research technologist.



This Plymouth Locomotive, in service of a major oil company, is typical of many leading makes of machinery on which dependable Le Roi valve-in-head engines are standard equipment. On construction machinery (including Le Roi's own portable air compressors) - oil-well drilling and pumping rigs - many other types of industrial and agricultural machinery, look for these economical, troublefree heavy-duty power units. 2 to 12 cylinders, 4 to 400 H. P. for gasoline, natural gas, or butane.

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Industrial Executives are invited to write (on business stationery, please) for our 8-page booklet, "When the Shooting Stops!"







FOUNTAIN BRUSH

### If It Can't Be Done, They Do It

(Continued from page 36) explosives or space for them with wires running to some peasant's house on a hillside."

Dean of the corps is Percy A. Baker, 64, who recently built an enormous wind tunnel for the Army Air Forces in California. Among his accomplishments are completion of two utility plants which he built from the ground up and the construction of the Warsaw radio station. Poland decorated him for the latter but he gets more kick out of the fact that, on one of the other jobs, he once signed checks for \$2,000,000 in a single day.

#### In South Pacific

YOUNGEST man is probably G. L. Lentz, only four years out of Lafayette College, who, with C. O. Nelson, was one of the first technical men in the South Pacific. Both won Army commendations for "the superior manner" in which they organized and instructed personnel in the maintenance, repair and overhaul of turbo-superchargers under "difficult conditions encountered in the field."

Decorations and commendations aren't unusual. Cosser has one praising his technical efficiency "despite lack of much needed equipment and difficult maintenance conditions" with a bombardment group where "most missions are long, high altitude flights depending entirely on efficient supercharger operation for success."

Cosser should know flying. In the course of service in Afghanistan, Iran, Iraq, Syria, Cyprus, Malta, Tunisia, Algeria and Morocco, he has flown more than 100,000 miles. Part of the time he was an inexpensive passenger having lost 60 pounds because of an attack of dysentery. He worked through that but a bout with malaria put him in a Cairo hospital.

William V. Murphy has perhaps the most amazing official decoration. The Russians gave him the "Order of the Red Banner" because "we like him."

Murphy, one of the few older engineers to raise a family, has settled down in Atlanta to take care of war plants in the South but he has had his share of excitement.

He was building a power station in Mexico once when a revolution started and the rebels demanded the small round plant building for use as a fort. Murphy went to the door and told them to go fight somewhere else.

Unbelievably, they did.

The Russian decoration came after the completion of the Dnieprostroy power plant. The leaders of all the American crews were so honored—but Murphy wasn't then a crew leader. The ribbon on his chest had a practical value, however.

"In Moscow it permitted me to ride on the front platform of street cars along with expectant mothers."

Thomson got a peculiar accolade in

Russia, too. A Russian woman of old regime sympathies offered him several thousand rubles to marry her and take her out of the country. The fact that he already had a wife made it easy to refuse that offer but he couldn't refuse when Gerard Swope, General Electric president, made him guest at a New York dinner for company executives and introduced him as "the man who does the work for which you fellows take credit."

Swope's comment was inspired by an inspection trip to Boulder Dam where he found Thomson installing 82,000 kilowatt generators.

"Young man, whom do you call when there is trouble?" Swope asked him.

"We don't call anybody," Thomson told him. "We just fix it."

That phrase might be adopted as the motto of the corps. No matter what the difficulty may be, they fix it. When F. Howard Potter faced a labor shortage in Ecuador, he stood on a street corner and snatched the valuable Panama hats off the heads of passersby. If they agreed to work for him, they got the hats back.

The late A. C. Jewett faced different problems while building a power plant in Afghanistan. His tools were stolen every time he turned his back; harness for work elephants had to be made by hand; the contractor, who was supposed to bring steel beams over the mountains, stopped deliveries when he



He lived in a 135-room palace and rode to his work on an elephant

harvested his crops. Jewett finally built the plant but it took eight years.

The engineers' life is not all that kind of drudgery. Timothy E. Lynch, now engaged in the comparatively humdrum job of building electric power plants on barges which can be towed along coasts or up rivers to replace damaged conventional facilities, can look back on his tour of duty in Nepal, where he lived in a 135-room palace and rode to his work each day on an elephant accompanied by obsequious outriders. When he left, the Maharaja gave him a fine collection of Nepalese coins.

Thomas Edison Wood recently collected an equally satisfying but less intrinsic reward. Since beginning his career in 1903, he has installed machinery for the Panama Canal and the world's biggest coal pier in Baltimore,





built a steel mill in Siberia, sugar mills in Cuba, and a power plant in Chile. At present he is putting electric equipment into new submarines but a while ago he installed the generators and motors on a battleship.

When the job was finally done, the Navy threw a family party in celebration. The shindig was going nicely when the skipper entered.

"Where's Woody?" he asked.

Being a civilian, "Woody" wasn't there.

"Well I won't sit down until he gets here," the skipper snorted.

He didn't, either.

Like the Army, the Navy recognizes the work these men have done in keeping temperamental machinery going in queer places. When the battleships "California" and "West Virginia" went down at Pearl Harbor, they were the men who were summoned.

Wilson, then supervising installation of generators at Cherokee Dam for TVA, flew to Hawaii with a crew of 57 technicians to repair the propulsion equipment.

#### Thick oil and muck

HE found the motors covered by thick oil and muck. Some were corroded by salt water. As the apparatus was deep in each ship, everything taken in or out had to be carried by men walking single-file on narrow companionways through four decks. Tons of material were moved in this way.

The men worked in three shifts, 24 hours a day, seven days a week, in holds, breathing air pumped from above deck. As a precaution against gas, the Navy provided chemically treated white ribbons which turned purple when gas threatened.

As no propulsion motors of this size had ever been repaired under such conditions, working techniques of all kinds had to be improvised.

Finally, in less time than had been required to build the motors originally under ideal conditions, the repair job was done. The battleships were able to steam out of Pearl Harbor under their own power.

As he started for his next job, Shasta Dam in California, Wilson received a letter from Rear Admiral William R. Furlong, commandant of the Pearl Harbor Navy Yard. It said:

"In recognition of the valuable services performed by you and the other 57 men of the General Electric Company on two important naval vessels in Pearl Harbor, the Commandant of the Navy Yard presents to you, and through you, presents to each of the other men of this group a Navy 'E' pin. This action is taken because the work performed by you on two salvaged ships contributed to the winning of the 'E' pennant by this yard and contributes to the return of these ships to the fleet.

"Please accept my thanks and congratulations for your excellent and important work."

Any civilian praise we might add will sound pretty silly after that.



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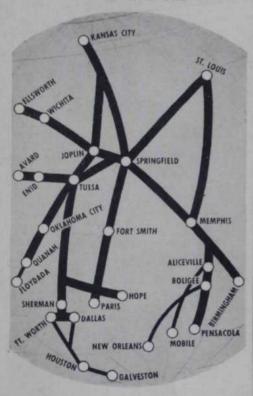
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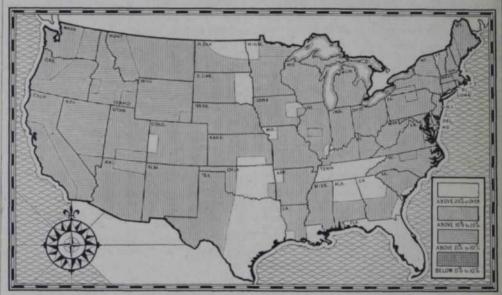


#### A GREAT RAILROAD

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## The Map of the Nation's Business

By FRANK GREENE



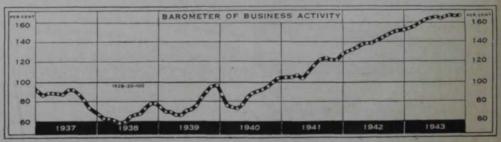
WITH output of war materials aparently approaching a ceiling, overall industrial production during October continued at former record levels. Although merchandise scarcities persisted, evidences of expanding production of some civilian goods were noted. The steel industry reached a new all-time peak in tonnage output, although operations tapered somewhat in the latter half of the month, due to recurring strikes in coal mines, where output fell considerably below September and the like 1942 month.

Airplane manufacturers turned out a record number of 8,362 planes, while ship construction increased to 163 cargo vessels, three more than in September. Electricity production ran 18 per cent above last October to set a new record for all time. Railroad freight and passenger movement continued exceptionally heavy. Production of lumber, leather, and cotton The Map reflects favorable conditions in most sections but increases over last year tend to become less pronounced



textiles still held below last year.

Stock market dealings were dullest of the year, while commodities were unsettled by talk of a possible early peace in Europe. Wholesale and retail volume showed some improvement.



Aggregate industrial output in October remained high but gains were narrowed due to manpower difficulties affecting most vital war industries



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MUST COME DOWN"

That is the advertisement which this company will run in National Magazines and Newspapers one month after the war ends.

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SAN FRANCISCO



It's 30 below zero. A mountain blizzard is howling. There's no firewood for miles.

Yet this ski trooper will soon be eating a hot meal!

Where does he get the fuel to start a fire? Right in his pack . . . in an ingenious little can!

Watch how he uses it: First, he spins a screw on top of the can. Pulls out a sliding spout-inserts it into a portable stove. Then he squeezes the can like a bellows, squirting in precious fuel without spilling a drop.

The spout works so easily he doesn't have to remove his gloves and freeze his hands. When he's finished, it disappears back in the can-out of the way.

Simple and practical. And, like all cans, tough! It's banged around. Dropped in snow. Exposed to violent temperature changes. But the fuel it carries gets there-safe!

This can is only one reason why you're getting fewer cans today. Millions of cans of fuel, water, food, and ammunition have gone to war. But they'll be back-better than ever, thanks to our war job as "Packaging Headquarters for America."

TO MAKERS OF WAR GOODS-

Rushed as we are, we can still take on more war work. A part of our vast metal-working facilities for forming, stamping, machining and as-sembly is still available. Write or phone our War Products Council, 100 E, 42nd St., N. Y. C.

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